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**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Application of BellSouth Corporation,	)	
Pursuant to Section 271 of the	)	
Telecommunications Act of 1996	)	CC Docket No. 02-35
To Provide In-Region, InterLATA Services	)	
In Georgia and Louisiana	)	

**JOINT SUPPLEMENTAL DECLARATION OF CHERYL BURSH  
AND SHARON NORRIS  
ON BEHALF OF AT&T CORP.**

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1. My name is Cheryl Bursh. I am currently employed by AT&T as a District Manager.
2. My name is Sharon Norris. I currently serve as a consultant with SEN Consulting, Inc.
3. As part of AT&T's opening comments in CC Docket No. 01-277, we jointly filed with the Commission initial and reply declarations. In addition, Ms. Norris also submitted a separate declaration on KPMG's third party test of BellSouth's Operational Support Systems ("OSS").<sup>1</sup>

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<sup>1</sup> See Declaration of Cheryl Bursh and Sharon Norris filed October 19, 2001, in CC Docket No. 01-277 ("Bursh/Norris Decl."); Reply Declaration of Cheryl Bursh and Sharon Norris filed November 13, 2001, in CC Docket No. 01-277 ("Bursh/Norris Reply Decl."); and Declaration of Sharon E. Norris filed October 19, 2001 in CC Docket No. 01-277 ("Norris Decl.") These declarations describe our respective employment histories, current responsibilities and educational backgrounds.

I. PURPOSE AND SUMMARY OF DECLARATION

4. The purpose of this Joint Declaration is to respond to BellSouth's allegations that its performance data are reliable, and that its data show that it has satisfied and is satisfying its Section 271 obligations. Despite BellSouth's assertions in its latest application, BellSouth's performance data remain unreliable and inaccurate. And even BellSouth's wholly inadequate data, in combination with CLEC and other data, demonstrate that it is not providing service in a nondiscriminatory manner.

5. When BellSouth withdrew its application for Section 271 approval last December, it was plainly evident that BellSouth's performance monitoring and reporting systems were so error ridden that its reported performance results in its application could not be trusted. In a statement issued on the day that BellSouth withdrew its application, Chairman Powell stated that, "[t]he FCC cannot approve such applications by the Bell Companies unless they satisfy the requirements of Section 271 of the Communications Act,"<sup>2</sup> and that (*id.*):

despite extensive conversation and collaboration with the FCC, questions remain regarding whether BellSouth has satisfied the rigorous requirements of the statute and our precedents, including . . . the integrity of its performance data.

6. In its latest application, BellSouth dismisses the notion that its previously-submitted performance data are unreliable,<sup>3</sup> but contends that any concerns regarding the integrity and accuracy of its performance data can now be put to rest. In attempting to bolster this allegation, BellSouth states that: (1) the lack of any repostings of its performance data from

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<sup>2</sup> See Statement of Chairman Michael Powell on Withdrawal of BellSouth 271 Application, released December 20, 2001.

<sup>3</sup> See Supplemental Brief in Support of Application by BellSouth For Provision of In-Region, Inter-LATA Services in Georgia and Louisiana, filed February 14, 2001 at 34 ("Supp. Application").

September through December 2001 demonstrates that its performance data are stable; (2) the results of KPMG's audits conducted in Georgia confirm that its performance data are accurate and reliable; (3) the failure of any CLEC to bring data integrity claims to the attention of the Georgia Public Service Commission ("GPSC") using established procedures illustrates the paucity of the CLECs' claims; (4) BellSouth has adequately addressed all data integrity concerns raised by AT&T and other CLECs during the pendency of its initial application; (5) any criticisms of the performance measures on which it relies should be resolved in state proceedings; and (6) BellSouth's performance data provide sufficient assurance that it has satisfied its Section 271 obligations. BellSouth's arguments cannot withstand analysis.

7. As described in Part II, BellSouth's failure to repost data during the period from September through December 2001, does not demonstrate that its data are accurate and reliable. Tellingly, BellSouth's latest application glaringly omits any reference to the fact that, in January 2002, BellSouth did, in fact, repost its December 2001 flow through data. True to form, even BellSouth's restated data are inaccurate. Additionally, BellSouth's own supplemental application reveals that, since August 2001, BellSouth's performance results have contained other errors. Arguably, these errors should have spawned corrections to previously-submitted performance results. Thus, BellSouth's failure to repost data to its website from September through December 2001 proves nothing. If anything, the lack of such repostings could simply reflect that BellSouth wants to avoid posting restated data that would further highlight the instability of its reporting processes. Alternatively, as AT&T recently learned, because BellSouth's touted data production systems "inadvertently deleted" thousands of

records, it is now impossible for BellSouth to recover those data and correct prior erroneous results.

8. In Part III we show that BellSouth's reliance on the KPMG audits conducted to date to demonstrate the reliability of its data is misplaced. Audits I and II were based upon measures, business rules, and levels of disaggregation that have changed substantially since those audits were conducted. In addition, Audits I and II were based upon aged data — data that BellSouth has suggested in other contexts are not probative of its current performance. Additionally, KPMG has issued numerous observations and exceptions during its metrics audits in Georgia and Florida which confirm that serious problems remain regarding the integrity of BellSouth's data and the accuracy of its performance results. Furthermore, although BellSouth tries to leave the clear impression that KPMG's audits are either complete or that any remaining testing to be completed is inconsequential, the reality is that the data integrity portion of Audit III is less than 10% complete, and the metrics replication test is 52% complete in Georgia. These tests are critical to any assessment regarding the stability, reliability and accuracy of BellSouth's performance data and reported results.

9. Significantly, BellSouth is in the process of replacing BARNEY—a major component of its regional Performance Measurement Analysis Platform (“PMAP”). In KPMG's ongoing third party test in Florida, KPMG has encountered substantial problems in evaluating data transmitted from BARNEY to PMAP Staging. The complexities of BARNEY code, combined with BellSouth's decision to replace BARNEY, have triggered KPMG's reexamination of completed metrics tests and delayed the completion of the data integrity test in Florida. Similarly, KPMG recently announced that its Florida test of the integrity of

BellSouth's flow-through data has been delayed. At this time, it remains unclear precisely when KPMG will complete its metrics audit in Florida. Because BellSouth's systems used to collect performance measurement data are regionwide, presumably these developments in Florida would likely impact the timing of KPMG's completion of the metrics audit in Georgia. Given the serious problems that have been uncovered to date in Georgia and Florida during the metrics audits and the considerable testing that remains to be completed, there is no basis upon which BellSouth can rationally conclude that the audit results to date demonstrate beyond peradventure that its performance data are "meaningful, accurate and reproducible."<sup>4</sup>

10. In Part IV we explain that BellSouth's assertion that AT&T and other CLECs have somehow failed to bring their data integrity concerns to the attention of the GPSC is highly misleading. Indeed, AT&T and other CLECs have raised these issues repeatedly before the GPSC. Most recently WorldCom filed a petition, joined by AT&T, requesting that the GPSC hold proceedings to address these matters. Not surprisingly, BellSouth opposed the CLECs' request. Moreover, although BellSouth's latest application attempts to leave the impression that it has addressed or successfully refuted all of the data integrity concerns that AT&T has raised during the pendency of BellSouth's initial application, BellSouth's arguments cannot withstand analysis. The reality is that BellSouth has not resolved or successfully rebutted all of the issues that AT&T has raised regarding the reliability of BellSouth's performance data.

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<sup>4</sup> Memorandum Opinion and Order, *In re: Joint Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region, Inter LATA Services in Kansas and Oklahoma*, 16 FCC RCD 6237 (Jan. 19, 2001), ¶ 278.

11. In Part V, we address BellSouth's assertions that any arguments regarding the deficiencies in the metrics on which it relies should be addressed in state proceedings. It is certainly true that BellSouth and the CLECs are currently participating in workshops during which certain measures are being discussed. Although those proceedings are a step in the right direction, those proceedings cannot and do not eliminate the fact that the data on which BellSouth relies are inaccurate and misleading because of the fundamental infirmities in the measurements on which its data are based.

12. As discussed in Part VI, even BellSouth's own inadequate data, combined with CLEC and other data, show that it is not providing service in a nondiscriminatory manner. In fact, with respect to any number of measurements for which data are provided, BellSouth's own reported data confirm that it has failed to meet parity and benchmark standards.

13. Part VII explains that BellSouth's supplemental application improperly relies on unfulfilled promises. BellSouth could have waited to refile its application after KPMG's metrics tests were concluded in Georgia and Florida and after it had successfully resolved the serious data integrity issues discussed in AT&T's opening comments. Instead, BellSouth elected to resubmit its application before these issues were resolved. Mindful of the deficiencies in its data and performance, BellSouth now seeks approval of its application based, in large measure, on a veritable plethora of promises to improve its performance. These unfulfilled promises have no probative value in the context of this proceeding. And, in all events, the current record provides no basis for a finding that BellSouth's performance data provide sufficient assurance that it has satisfied its Section 271 obligations.

**II. THE LACK OF REPOSTINGS DOES NOT DEMONSTRATE THE STABILITY OF BELL SOUTH'S DATA.**

14. BellSouth has not demonstrated and cannot demonstrate that its performance data are accurate, stable, and trustworthy, a fundamental showing in all prior approved Section 271 applications. In commenting on BellSouth's initial application, the DOJ, AT&T and other commentators explained that the frequency and magnitude of BellSouth's repostings precluded any presumption that its reported data are reliable. *See, e.g.*, DOJ Eval. at 34; Bursh/Norris Decl. ¶¶ 90-91. In its latest application BellSouth asserts that any previously-stated concerns regarding the stability of its data are clearly unfounded at this time.

15. In an effort to buttress this allegation, BellSouth states that "[t]he stability of all of BellSouth's data, and particularly the Key Measures, is most clearly demonstrated by the last four data months provided to the Commission. September, October, November and December 2001 -- during which period BellSouth did not need to repost performance results for either Georgia or Louisiana." Varner Supp. Aff. ¶ 27. Noting that its prior repostings of flow through data sparked "the most comment" on the stability of its reporting processes, BellSouth states unequivocally that it "has not restated flow through results for September, October, November or December 2001." Varner Supp. Aff. ¶ 26. BellSouth's arguments are demonstrably unsound.

16. Although BellSouth did not repost data during the period from September through December 2001, no solace can or should be taken that the myriad problems plaguing BellSouth's performance monitoring and reporting systems suddenly vanished during that period. Conspicuously absent from BellSouth's supplemental application is any reference to the fact that, on January 31, 2002, just two weeks before it filed its supplemental application,

BellSouth reposted its LNP and non-LNP December 2001 flow through reports to its PMAP Website.<sup>5</sup> Thus, BellSouth's representation that it has not restated flow-through results for December 2001 is flatly wrong. Not surprisingly, even BellSouth's reposted data are inaccurate, further confirming the instability of BellSouth's performance results. By electronic message dated February 28, 2002, AT&T notified BellSouth of errors in its reposted results and BellSouth has since corrected its data.<sup>6</sup>

17. The errors in BellSouth's performance data covering the period from September through December 2001 are not confined to flow-through data. After BellSouth filed its supplemental application, it submitted to the GPSC a revised December Fatal Rejects report because it had improperly included November data in that report.<sup>7</sup> BellSouth also filed an errata with this Commission correcting this error.

18. Furthermore, by BellSouth's own admission, it inappropriately included the same Service Order Number multiple times in its November data on the Average Completion Notice Interval measure. Varner Supp. Aff. Ex. PM-14 at 4. Because reportedly 5% of BellSouth's service orders appeared multiple times in its data, presumably this error should have resulted in the reposting of BellSouth's November data. Indeed, BellSouth's failure to correct and repost its November data would appear to be squarely at odds with its representations to the Commission. In this regard, BellSouth has previously stated that "[w]here BellSouth determines that data are inaccurate, BellSouth *promptly* corrects the data on its

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<sup>5</sup> See Electronic Message from Suzy Sherwood to K. C. Timmons dated February 6, 2002 (attached hereto as Attachment 1).

<sup>6</sup> See Electronic Message from K. C. Timmons to Phillip Porter dated February 28, 2002 (attached hereto as Attachment 2).

<sup>7</sup> Letter from Phil Porter to K. C. Timmons dated February 5, 2002 (attached hereto as Attachment 3).

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website, provides CLECs with notice that corrected data is available, and refiles the data with the appropriate regulatory bodies.” Varner Reply Aff. ¶ 17 (emphasis added). Curiously, notwithstanding its commitment to “[e]nsur[ing] that CLECs and regulators have access to the most complete up-to-date information available,” BellSouth has not seen fit to correct and repost its November data on the Average Completion Notice Interval measure. *Id.*

19. Similarly, BellSouth concedes that, prior to implementing coding changes with its December 2001 data, it failed to exclude pending and cancelled orders from its calculation of performance results for coordinated customer conversions. Varner Supp. Aff., Supp. Ex. PM-14 at 2. Because this coding change was not implemented until December and BellSouth’s performance results for prior months are inaccurate, presumably BellSouth should have reposted its data to reflect corrections resulting from this coding change.

20. Additionally, BellSouth admits that its October and November reported retail data on trouble reports for ISDN/BRI loop orders are inaccurate. Varner Supp. Aff. ¶ 75. Although BellSouth contends that, with this correction, it “likely would have been in parity” in prior months, it has produced no empirical evidence supporting this assertion, and, in all events, BellSouth offers no explanation as to why it has not corrected and reposted the data. *Id.*

21. BellSouth also concedes that, prior to January 5, 2001, its data on OSS Pre-Ordering Average Response Interval were inaccurate, and that “the Commission should subtract 2 seconds from the retail analogue associated with LENS.” Varner Supp. Aff. ¶ 80. Again, however, BellSouth fails to explain why it simply did not correct this error and repost its results.

22. Perhaps one of the most egregious examples which underscores the frivolity of any assumption that the dearth of BellSouth’s repostings reflects stability of its

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performance data is BellSouth's most recent revelation regarding its data production systems.

On January 29, 2002, AT&T notified BellSouth that its November 2001 PMAP report on the percentage of provisioning troubles within 30 days of installation contained erroneous order volumes.<sup>8</sup> Remarkably, conceding that its reported data were erroneous, BellSouth stated that it could not provide a corrected report because it had deleted the underlying records from its database:<sup>9</sup>

For the data month of November the BellSouth development group was in the process of converting the reporting of LNP services from the existing "BARNEY" database to the PMAP database which produces all of our automated Performance Measurement reports. Up until this time, these LNP reports produced in "BARNEY" were posted in the Miscellaneous Reports folder with all of the manual reports. Discrepancies between the "BARNEY" created report and the new PMAP created report were discovered during the conversion process. While these discrepancies were being resolved the October completed orders for LNP Standalone were inadvertently deleted from the database. Unfortunately this data was not recoverable. The November PT30 report, without the October provisioned orders, was incorrect for LNP Standalone data. The three provisioning troubles reported for OCN 7170 for LNP Standalone were actually BST customer troubles that were charged to the LNP trigger order, and should not have been counted on the AT&T PT30 report. I am attaching the report, as it exists in our database, to reflect the correction of the LNP provisioning troubles. As you can see, the November report does not have an accurate count of LNP provisioned orders. The October and December reports were unaffected by this error.

I would like to express my regret that we were unable to provide AT&T with a corrected report for Provisioning Troubles within 30 Days for LNP Standalone service for November 2001.

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<sup>8</sup> Electronic Message from King Timmons to Phillip Porter dated January 29, 2002 (attached hereto as Attachment 4).

<sup>9</sup> Letter from Phil Porter to K. C. Timmons dated February 5, 2002 (attached hereto as Attachment 3).

23. BellSouth's inadvertent deletion affected thousands of AT&T's LSRs that were completed in October. These data are unrecoverable. BellSouth cannot legitimately contend that its performance data are reliable or that its data production process "ensure[s] that valid records are not being lost,"<sup>10</sup> when its performance data are error-ridden, its restated results are inaccurate, and its data production systems delete massive volumes of data, rendering it impossible to restate performance results.

**III. KPMG'S AUDITS DO NOT DEMONSTRATE THAT BELL SOUTH'S DATA ARE RELIABLE AND ACCURATE.**

24. In its supplemental application, BellSouth asserts that, "[t]he Commission should have significant confidence in BellSouth's performance data." Supp. Application at 33. Noting that two KPMG audits in Georgia have been completed and that the third audit is in progress, BellSouth states that the "audit results to date conclusively establish the reliability of BellSouth's performance data." Varner Supp. Aff. ¶ 29. Nothing could be further from the truth. KPMG's audits are far from complete; and even the limited testing that has been conducted to date belie BellSouth's claims regarding the accuracy of its performance data.

25. As the Department of Justice aptly observed, BellSouth cannot rely on the three Georgia metrics audits that have been conducted or are being conducted by KPMG as proof that its data are reliable and stable. DOJ Eval. at 32 n. 109. Notwithstanding BellSouth's suggestions to the contrary, the three audits are not "cumulative." *Id.* As DOJ properly noted, Audit III "will include the first audit of a significant number of new product disaggregations and newly implemented measures." *Id.* In order to place these issues in context, it is important to

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<sup>10</sup> Varner Supp. Aff. ¶ 10.

understand the nature and status of KPMG's audits in Georgia (as well as in Florida) which are discussed below.

**A. Georgia Audits**

26. **Audit I.** Audit I was the initial metrics test that KPMG conducted based upon the Master Test Plan dated December 15, 1999 and Supplemental Test Plan dated February 28, 2000. Audit I was designed to, *inter alia*, assess the accuracy of BellSouth's performance data based upon the initial set of measures ordered by the GPSC on May 6, 1998. Audit I also included an evaluation of the following test segments: (1) PMR-1: Data Collection and Storage Verification and Validation; (2) PMR-2: Metrics Definition Documentation and Implementation Verification and Validation; (3) PMR-3: Metrics Change Management and Verification and Validation; (4) PMR-4: Metrics Data Integrity Verification and Validation; (5) PMR-5: Metric Calculation and Reporting Verification and Validation; and PMR-6: Statistical Evaluation of Transaction Test Metrics. BellSouth asserts that the results of Audit I "should provide the Commission with a high degree of confidence that BellSouth's performance data are reliable." Varner Supp. Aff. ¶ 33. BellSouth is wrong.

27. Although BellSouth places considerable reliance on KPMG's first audit, as DOJ correctly found, KPMG's third party test (which included Audit I) "was limited in scope," and "a number of performance-related criteria were deemed satisfied even where performance did not meet Georgia PSC standards." DOJ Eval. at 5 & n.14. Significantly, KPMG conducted Audit I using the September 1999 Service Quality Measurements ("SQM"), a rather preliminary set of measures. Because of the evolving nature of the CLECs' actual market experience, it was understood that the 1999 SQM should and would be modified when actual market experience demonstrated inadequacies in the measurement process. Consistent with that understanding, the

levels of disaggregation and the measures in the 1999 SQM have changed dramatically since their adoption. In fact, the GPSC, recognizing that it had substantially modified the 1999 SQM which were the focal point of Audit I (including new metrics, changes in disaggregation, analogs, benchmarks, and business rules), directed KPMG to reaudit all of the systems and processes supporting metrics creation and any new or modified metrics. Thus, many of the metrics definitions, business rules, and benchmarks that were examined in Audit I are now obsolete.

28. In addition, Audit I focused primarily on BellSouth's October, 1999 data.<sup>11</sup> It should also be emphasized that the majority of the data integrity testing that KPMG conducted occurred more than two years ago.<sup>12</sup> Ironically, when it has suited its purposes, BellSouth has argued that, it is wholly improper "to evaluat[e] the integrity of current data" by relying on data more than a year old<sup>13</sup> or tests based upon standards that have been superseded as a result of extensive modifications ordered by the GPSC.<sup>14</sup> Indeed, in other contexts, BellSouth has insisted that any test based upon aged data and performance results "tells nothing about BellSouth's performance today." Varner Reply Aff. ¶ 10. Relatedly, KPMG has recognized in other proceedings that, "[a]s the test results age, KPMG Consulting's confidence that the results

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<sup>11</sup> KPMG STP Final Report VIII-E-1.

<sup>12</sup> KPMG STP Final Report VIII-D-40-70.

<sup>13</sup> Varner Reply Aff. ¶ 67 (nothing that it is improper for AT&T to rely "upon BellSouth data from the UNE-P trial the parties conducted over a year ago" because "data from November 2000" are "too old" and cannot be "use[d] as a basis for evaluating the integrity of current data").

<sup>14</sup> *Id.* ¶ 10 (noting that "an evaluation has no relevance to this proceeding" when "standards established in June 2000 against which BellSouth's performance was being judged may have been modified extensively by the GPSC's decision to adopt new measurements in January of this year," and that "examining BellSouth's performance in December 1999 and January 2000 tells nothing about BellSouth's performance today").

represent current operations decreases.”<sup>15</sup> For all of these reasons, BellSouth cannot reasonably rely upon Audit I as incontrovertible proof that its current reporting and monitoring processes are stable, and that its performance data are accurate and reliable.

29. Remarkably, even KPMG’s limited and flawed testing during Audit I has uncovered problems regarding the integrity and accuracy of BellSouth’s performance data which are reflected in exceptions that remain open in Georgia. In this regard, KPMG has issued Exception 89 which pertains to BellSouth’s calculation of the pre-ordering OSS Response Interval measure. Although KPMG has successfully matched the pre-ordering OSS response interval values reported for LENS, it has “not yet matched the values for ROS, RNS and TAG.”<sup>16</sup> Currently, KPMG is examining early-stage and raw data for TAG and ROS and has yet to complete its review of such data for RNS.

30. Similarly, in Audit I, KPMG has issued Exceptions 136/137. KPMG’s interim status report reveals that KPMG has engaged in extensive discussions with BellSouth regarding “data completeness issues relating to raw data files for the Ordering metrics, in particular Reject Interval and FOC Timeliness.” KPMG February 5 Interim Report at 2. In describing the problems encountered during this phase of testing, KPMG stated that (*id.* at 2-3):

Focusing on the data for September 6, KPMG Consulting attempted to match the records for these files, first by PON only (to provide a first cut of the analysis). It was determined that the early-stage data set obtained does not provide all the information necessary to determine which records should be excluded.

KPMG Consulting then repeated our analysis, attempting to match records by OCN/PON/VER. We were not entirely successful. KPMG Consulting has provided BellSouth with lists of

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<sup>15</sup> Letter from David B. Wirsching, III (KPMG) to Lisa Harvey (Florida Public Service Commission) dated October 23, 2001 at 2 (attached hereto as Attachment 5).

<sup>16</sup> KPMG Interim Status Report dated February 15, 2002 (“KPMG February 5 Interim Report”) at 2.

discrepancies between the TAG and respective raw data files. BellSouth will provide data from other systems, at the earliest point in which they are recorded, to enable KPMG Consulting to identify exclusions appropriately, and to determine whether the raw data are complete.

31. KPMG has also issued Exception 122. KPMG has found that BellSouth has used legacy system timestamps when measuring FOC and Reject Intervals that are inconsistent with GPSC-ordered business rules. KPMG has reported that BellSouth is in the process of implementing changes to its systems that will enable it to use interface gateway timestamps in its calculation of Reject Intervals and FOC Timeliness. February 5 KPMG Interim Status Report at 2. BellSouth reportedly has implemented updates to TAG in January 2002 and plans to implement updates to EDI in May 2002. *Id.*

32. **Audit II.** In Audit II, KPMG examined BellSouth's processes in calculating and reporting the values in its Section 271 charts based upon an interim set of measures in the GPSC's June 6, 2000 Order. During this audit KPMG reviewed certain BellSouth data generated between June through August 2000. BellSouth Supp. App. A, Vol. 21, Tab E13 at 7. However, as to those measures where "the raw data were in the same format as the data reviewed in the Audit I test, the results of [the] Audit I test satisfied the requirements of Audit II." *Id.* at 6. Thus, in many instances, for purposes of Audit II, KPMG simply accepted the data integrity findings in Audit I that involved an examination of BellSouth's 1999 data. Importantly, the measures examined in Audit II have changed substantially. Twenty-one (21) new metrics, and "thirty-nine (39) metrics with new levels of disaggregation [were] added to the Georgia SQM since the completion of the Audit I and Audit II Tests." *Id.* at 11. Because the performance standards on which Audit II was based have changed dramatically, even BellSouth has conceded in other contexts, that such an audit cannot properly assess BellSouth's current

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performance. Similarly, because the results of Audits I and II were based upon data generated in 1999 and 2000, by BellSouth's own admissions, these data are far "too old" to be relevant in assessing "the integrity of current data." Varner Reply Aff. ¶ 67.

33. **Audit III.** Audit III is designed to reexamine BellSouth's previously-audited measures, examine new measures and audit the Georgia SEEM. Because of the extensive changes to the metrics, KPMG is reauditing 39 measures that were examined during Audits I or II and 21 new metrics (a total of 60 measures constituting 81% of the measures that are currently in effect). During Audit III, KPMG is testing: PMR 1- Data Collection and Storage; PM 2 - Standards and Definitions; PMR 3 - Change Management; PMR 4 - Data Integrity; PMR 5 - Replication - SQM Reports; PMR 6 - SEEMS Statistical Methodology; and PMR 7 - SEEMS Enforcement Review.

34. KPMG has reported that its test of PMR 1-Data Collection and Storage is 90% complete. To date, KPMG has not issued any exceptions during this phase of testing. Notably, BellSouth is in the process of replacing BARNEY — a major component of its PMAP system. This development has significant implications for the ongoing test in Georgia.

35. BellSouth's PMAP is a regional system in which the vast majority of the values for the Service Quality Measurement Plan are generated. *See* Varner (GA) Aff. ¶ 23. As BellSouth explained in its initial application, the data in BellSouth's legacy systems are transferred to the Interexchange Carrier Analysis and Information System ("ICAIS"); and "a 'snapshot' of the ICAIS data is extracted into the SNAP database." *Id.* BARNEY, which is the combination of ICAIS and SNAP, is a storage system. The SNAP data are, in turn, copied into the PMAP Staging database, and the data are then transferred to the Normalized Operational

Data Store (NODs), which transmits the data to the Dimensional Data Store that summarizes the data. The NODs data are also used to create the raw data files that are available to CLECs. *Id.*

36. During the third party test of BellSouth's OSS Test in Florida, KPMG has encountered substantial problems in analyzing the data transmitted from BARNEY to PMAP Staging. In elaborating on these problems, KPMG, during a status conference call on February 20, stated that BARNEY code "is like a spider-web with multiple points" rendering data analysis difficult. Importantly, BellSouth is replacing BARNEY with RADS in March 2002. During a conference call on February 13, 2002 regarding the Florida OSS test, KPMG admitted that, as a result of the complexities of the BARNEY code, combined with the replacement of BARNEY with RADS, it must now reexamine its completed replication work, conduct additional months of testing for metrics in progress or not yet started, and consider conducting additional replication testing for metrics that have been completed. Thus, although no exceptions have been issued to date in Audit III during testing of PMR-1, given BellSouth's decision to replace BARNEY and KPMG's decision to extend its data integrity testing in Florida because of this development, presumably these same issues will impact KPMG's testing of PMR-1, as well as other test segments in Georgia.

37. During KPMG's test of PMR 2, KPMG is assessing whether those measures which were not examined in Audits I and II are consistent with the SQM. Although AT&T has argued before the GPSC and this Commission that BellSouth's April 2001 Service Quality Measurement Plan is inconsistent with the GPSC's Order,<sup>17</sup> KPMG's interim report does not indicate that these inconsistencies will be examined during KPMG's third party test. KPMG has reported that: its testing of Month 1 is 95% complete; its testing of Month 2 is 88%

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<sup>17</sup> See, e.g., Bursh/Norris Decl. ¶ 51.

complete; and its testing of Month 3 has not yet commenced. No exceptions have been issued to date for the PMR-2 test segment.

38. During its test of PMR-3, KPMG is examining BellSouth's metrics change control management. KPMG has reported that 85% of this test segment is complete.

Significantly, although KPMG reported that BellSouth satisfied this test in Audit 1 and although this test was not covered in Audit II,<sup>18</sup> KPMG is in the process of issuing three draft exceptions in Audit III. The fact that three new exceptions have been opened in during Audit III relating to metrics change management illustrates the dangers of relying on the results of Audits I and II — two aged audits — to demonstrate present compliance. In Audit III, KPMG has reported the following exceptions:<sup>19</sup>

- KPMG Consulting has discovered that BellSouth is not adhering to the documented metrics change control process for tracking changes in TeamConnection. KPMG Consulting reviewed BellSouth's TeamConnection reports reflecting the status of requested changes. Seven (7) changes with the highest possible priority settings were observed as having been implemented, but had remained opened for over seven months. KPMG Consulting identified this as an inconsistency between the process and documentation.
- KPMG Consulting discovered that BellSouth has no documented process or control group for monitoring open change requests in TeamConnection. KPMG Consulting discovered that BellSouth has six TeamConnection changes for Features with the highest Feature priority setting, and one TeamConnection change for a Defect with the highest Defect priority setting, which have been open for over seven months. BellSouth's documentation indicates that the highest Feature priority setting and the highest Defect priority setting should be assigned to changes such as those mandated by regulatory orders. The fact that Features with the highest priority setting, and Defects with the highest priority, have remained open for over seven months could indicate that BellSouth is either not

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<sup>18</sup> See, e.g., February 5 KPMG Interim Status Report at 6 (noting that "[t]he assumption for Audit II was that the overall policies and practices for managing changes for the new levels of disaggregation were the same as were verified and validated by Audit I; and, therefore, this area was not covered in the scope of Audit II").

<sup>19</sup> February 5 KPMG Interim Status Report at 10-11.

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tracking the closure of the changes, is not working appropriately to resolve the changes, or has incorrectly assigned the priority setting.

- KPMG Consulting has discovered that BellSouth posted raw data to the PMAP website without simultaneously posting the corresponding release of the Raw Data User's Manual (RDUM).

39. In its testing of PMR 4- Data Integrity, KPMG is examining 60 measures — 21 new metrics and 39 metrics reflecting additional levels of disaggregation that have been ordered by the GPSC since KPMG conducted Audits I and II. Significantly, during a conference call on February 20, 2002, KPMG confirmed that *only 10% of the data integrity portion of Audit III has been completed*. The data integrity segment of the metrics audit is a critical component of the metrics test. Because this critical phase of the audit is largely incomplete, BellSouth cannot reasonably proclaim that KPMG's audit confirms the reliability of its data.

40. Based upon the limited testing that has been conducted to date, KPMG has already issued draft exceptions during the data integrity test segment. Thus, for example, in Draft Exception 186, KPMG reported that BellSouth inappropriately excluded data between the BARNEY Snapshots and NODS stages. In an effort to diminish the significance of this exception, BellSouth states that it "has investigated all but one of the allegedly 'missing' LSRs and determined that they were all excluded properly." Varner Supp. Aff. ¶ 58. However, BellSouth's self-audit is of no probative value in assessing the integrity of its data. In any event, notwithstanding BellSouth's allegations, KPMG confirmed on February 20, 2002 that Draft Exception 186 remains open.

41. KPMG is issuing another exception because of BellSouth's failure to construct properly "the processed data used to validate certain Ordering Services Quality Measurements (Ordering; FOC timeliness non-trunks and Reject Interval)". February 5 KPMG Interim Status Report at 12. BellSouth attempts to dismiss the importance of this exception,

stating that it ""expects this exception, when issued, to focus on BellSouth's exclusion of negative duration interval from the measurement and RDUM clarifications that have no impact on the validity of reported results." Varner Supp. Aff. ¶ 58. However, BellSouth's allegations regarding the purported impact of this Exception on its reported data are nothing more than highly partisan, speculative statements.

42. In addition, KPMG is in the process of issuing a draft exception because "BellSouth incorrectly includes multiple instances of the same Service Order Number in NODS for the 'Provisioning-Average Completion Notice Interval' (ACNI) Service Quality Measurement (SQM) for November 2001 data." February 5 KPMG Interim Status Report at 12. BellSouth asserts that, "[t]his issue, which has no significant impact on the results published in the MSS, was originally fixed with August data, reappeared with November data, and was fixed again with December data." Varner Supp. Aff. ¶ 58. In all events, as noted above, BellSouth has not reposted its November data to correct these errors.

43. During the data integrity test segment, KPMG plans to issue a draft exception relating to BellSouth's rejected service request measure. In an effort to gloss over this draft exception, BellSouth states that it "expects this Exception, when issued, to focus on data that is legitimately excluded from BellSouth's recommended calculation . . . ." Varner Supp. Aff. ¶ 58. Again, however, BellSouth's unverified, highly speculative statements regarding the nature and impact of a draft exception that KPMG has yet to issue should be accorded no weight.

44. During its testing of PMR-5, KPMG is attempting to replicate the values in BellSouth's SQM reports. According to KPMG, this phase of the data replication test is only

52% complete.<sup>20</sup> During this phase of testing, KPMG issued Exception 141, finding that it was unable to replicate the values that BellSouth reported in its Acknowledgment Message Timeliness reports. February 5 KPMG Interim Status Report at 15.

45. Similarly, KPMG has issued Exception 142, finding that it was unable to replicate BellSouth's reported results for the Jeopardy Interval & % Jeopardy Non Mechanized measure. *Id.* Although BellSouth asserts that the jeopardy notice measure is not "meaningful," and, therefore, any exceptions relating to jeopardy notice "are not relevant to the Commission's consideration,"<sup>21</sup> BellSouth cannot escape the fact that the Commission has repeatedly stressed the "critical" importance of having incumbent LECs provide timely jeopardy notices to CLECs so that they can inform their customers when new services will not be installed on the scheduled due date and promptly reschedule the time for service installation.<sup>22</sup>

46. KPMG also has issued Exception 144, finding that BellSouth's Raw Data User Manual (RDUM) provides inadequate instructions for replicating values in the Percent Completions/Attempts without Notice or < 24 Hour Notice reports. *See Varner Supp. Aff., Supp. Ex. PM-14.* In attempting to downplay these deficiencies, BellSouth states that this exception is simply a "documentation issue with the Raw Data Users Manual that has no impact on BellSouth's reported results.." *Varner Supp. Aff.* ¶ 58. BellSouth's position is untenable. BellSouth concedes that the purpose of this evaluation is to calculate performance results using BellSouth's own instructions. *Varner Supp. Aff.* ¶ 48. This test is designed to evaluate whether BellSouth has adequate instructions that facilitate the calculation of accurate performance

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<sup>20</sup> February 5 KPMG Interim Status Report at 14.

<sup>21</sup> *Varner Supp. Aff.* ¶ 76.

<sup>22</sup> *First Louisiana 271 Order*, ¶ 39; *Second Louisiana 271 Order*, ¶ 131.

results. Any inadequacies or inaccuracies in the instructions used to calculate performance results can taint the reliability of reported performance results. Among the measures as to which KPMG has encountered difficulties in recalculating BellSouth's performance results are those involving FOCs, rejections, jeopardies, Flow-Through, and Missed Appointments, all important areas in the Commission's evaluations of prior Section 271 applications. Thus, despite BellSouth's assertions to the contrary, Exception 144 can have an impact on BellSouth's reported results.

47. During its testing of PMR 5, KPMG is also attempting to replicate the values in BellSouth's 271 charts covering 60 metrics that BellSouth reported during a three month period. February 5 KPMG Interim Status Report. KPMG has stated that it has completed only 53% of this test. In its Interim Status Report KPMG has stated that, thus far, it has not been able to replicate 117 charts.<sup>23</sup> However, an examination of other portions of KPMG's Interim Status Report reveals 218 instances where KPMG could not replicate BellSouth's 271 charts. Of these charts, KPMG classified 25% as non-material (*i.e.* a match that is a difference of less than 1% of the total volume of transactions reported in either the numerator or denominator"). The remaining 164 non-matches (75% of the charts) presumably have differences greater than 1% and, therefore, reflect material differences.

48. In its testing of PMR 6, KPMG is conducting an analysis of the statistical methodology for SEEMS. KPMG has reported that this test segment is 15% complete. Varner Supp. Aff. Ex. PM-13 at 17.

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<sup>23</sup> February 5 KPMG Interim Status Report, Attachment: Audit III \_\_ PMR 5 \_\_ Chart Replication Status Monthly Summary at 112.

49. During its testing of PMR-7: Enforcement Review for SEEMS, KPMG is analyzing the SQM values that BellSouth uses in determining remedy payments. Only 15% of the testing of this segment has been completed. *Id.* Because this phase of testing is far from complete, it is too early to determine whether BellSouth is properly calculating remedy payments under its flawed performance enforcement plan.

50. Against this backdrop, BellSouth cannot reasonably assert that the audits conducted in Georgia convincingly demonstrate that its performance data are accurate, reliable and stable. Audit I was largely based on 1999 data. The measures and levels of disaggregation have substantially changed since KPMG conducted Audits I and II. In Audit III 90% of the critical data integrity test remains to be completed; and the metrics replication test is only 52% complete. KPMG's test of BellSouth's performance in calculating remedy payments under SEEMS is only 15% complete. Additionally, because of problems with BARNEY, which BellSouth is now replacing with RADS, KPMG's metrics audit in Florida has been delayed. Furthermore, as discussed in the next section, KPMG has delayed its evaluation of BellSouth's flow-through data in Florida because of, *inter alia*, difficulties encountered in obtaining the business rules governing BellSouth's calculation of LNP flow-through data. Presumably, these developments will impact testing in Georgia as well. Moreover, the testing that has been conducted in Georgia has already generated exceptions that cannot and should not be brushed aside. Accordingly, BellSouth cannot reasonably rely on the Georgia audits as proof that its performance data are accurate and reliable.<sup>24</sup>

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<sup>24</sup> Indeed, there has been little to no progress in the Georgia audit between KPMG's issuance of its December 7, 2001 and February 5, 2002 interim reports. In December, KPMG reported that its testing of PMR 1 was 95% complete; however, in February KPMG reported that this test segment was 90% complete. KPMG has not yet started testing month 3 for purposes of its evaluation of PMR 2. KPMG reported in December that PMR 3 was 80%. In February KPMG

**B. Florida Audit**

51. KPMG's ongoing testing in Florida provides additional evidence that BellSouth's performance data cannot be trusted. AT&T's opening comments explained that KPMG had identified a number of observations and exceptions revealing substantial problems concerning the accuracy of BellSouth's data — including metrics issues that the Georgia third-party test failed to detect. Bursh/Norris Decl. ¶¶ 28-29; Bursh/Norris Reply Decl. ¶ 48. Although a number of the observations and exceptions that AT&T discussed in its opening comments are now closed, a number of these same observations and exceptions remain open. KPMG also has identified *additional* observations and exceptions detailing substantial problems regarding the integrity and accuracy of BellSouth's data.

52. For example, KPMG's Exception 36, which found that BellSouth does not construct properly the data used to validate FOC and reject timeliness, still remains open.<sup>25</sup> Similarly, Exception 113, in which KPMG found that BellSouth failed to capture xDSL in its flow through report, is open today. In its response to this exception, BellSouth stated that, although xDSL transactions will be captured mechanically at the end of the first quarter of 2002, the data fields will be pulled from RADS (the replacement for BARNEY). Because of this recent revelation, KPMG amended Exception 113 to report that it would retest this exception based upon the information extracted from RADS.<sup>26</sup>

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reported that PMR 3 was 85% complete. In December KPMG stated that its PMR 4 data integrity test was 25% complete; however, during a conference call in February, KPMG stated that this test was less than 10% complete. In December KPMG reported that its testing of the SQM reports for PMR 5 was 47% complete; and in February KPMG reported that this test segment was 52% complete. In December KPMG stated that its testing of the 271 charts was 50% complete, while in February KPMG reported that its testing was now 53% complete.

<sup>25</sup> See KPMG Amended Exception 36, dated August 21, 2001 (attached hereto as Attachment 6).

<sup>26</sup> KPMG Amended Exception 113, dated February 18, 2002 (attached hereto as Attachment 7).

53. Other exceptions that were open before BellSouth withdrew its application remain open today. For example, Exception 114, which found that BellSouth improperly excluded data used to calculate FOC timeliness for fully and partially-mechanized orders is currently open.<sup>27</sup> Additionally, before BellSouth withdrew its application, KPMG issued Exception 120, finding that BellSouth had excluded 144 fully mechanized records and 303 partially-mechanized records from the data used to calculate the Percent Rejected Service Requests measure. Upon further investigation, KPMG amended this exception, stating that BellSouth actually excluded 1,920 fully mechanized records and 761 partially-mechanized records from its data.<sup>28</sup>

54. KPMG has opened additional exceptions since BellSouth's withdrawal of its application in December. In one exception KPMG found that BellSouth incorrectly excluded 17,131 records from the data used to calculate the non-mechanized Percent Rejected Service Requests results.<sup>29</sup> In its February 11 response, BellSouth conceded that it had inadvertently excluded these data, stating that:

[t]he discrepancies between the BARNEY Snapshots and NODS stages of the PMAP process for non-mechanized orders that contribute to the calculation of Percent Rejected Service Requests in June 2001 were due to a problem excluding LSRs from non-mechanized data. This is a known issue and Test Director RQ 1384 has addressed the matter beginning with January 2002 data. KPMG should retest using January 2002 data.

55. BellSouth's own admission that it excluded over 17,000 records used to calculate performance results is nothing short of remarkable. Indeed, these wholesale

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<sup>27</sup> KPMG Exception 114, dated October 5, 2001 (attached hereto as Attachment 8).

<sup>28</sup> KPMG Amended Exception 120, dated January 22, 2001 (attached hereto as Attachment 9).

<sup>29</sup> KPMG Exception 143, dated February 4, 2002 (attached hereto as Attachment 10).

exclusions of data belie BellSouth's claims that its "extensive validation processes" can and do "ensure that valid records are not being lost." Varner Supp. Aff. ¶¶8-9.

56. In February 2002, KPMG issued another exception, finding that BellSouth improperly excluded 1,630 records from the data used to calculate the non-mechanized reject interval measure.<sup>30</sup> Again, in its response, BellSouth conceded that it had improperly excluded LSRs from its non-mechanized data and characterized this data integrity problem as a "known issue" that would be addressed commencing with its January 2002 data.<sup>31</sup>

57. Similarly, in another exception issued in February 2002, KPMG found that BellSouth improperly excluded 6,526 records from the data used to calculate its non-mechanized FOC timeliness results.<sup>32</sup> BellSouth, admitting that it had incorrectly excluded LSRs from its non-mechanized data, reported that it has addressed this issue, and that KPMG should retest this exception using BellSouth's January 2002 data.<sup>33</sup>

58. On February 18, 2002, KPMG issued Exception 150, finding that BellSouth incorrectly included 387 orders multiple times in the data used for calculating its September 2001 FOC timeliness results.<sup>34</sup> In describing the effect of this error, KPMG stated that, "[i]f BellSouth incorrectly includes records that should not be used in calculating the [measure], the reported values will not accurately reflect the quality of service provided [and]

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<sup>30</sup> KPMG Exception 144, dated February 4, 2002 (attached hereto as Attachment 11).

<sup>31</sup> Florida OSS BellSouth's Response to Exception 144, dated February 11, 2002 (attached hereto as Attachment 12).

<sup>32</sup> KPMG Exception 145, dated February 4, 2002 (attached hereto as Attachment 13).

<sup>33</sup> Florida OSS BellSouth's Response to Exception 145, dated February 11, 2002 (attached hereto as Attachment 14).

<sup>34</sup> KPMG Exception 150, dated February 18, 2002 (attached hereto as Attachment 15).

CLECs are unable to assess the quality of service received or plan for future business activities reliably.” *Id.* at 2.

59. A number of exceptions are open in Florida relating to KPMG’s test of PMR5 (Metrics Calculation/Replication), including exceptions that were open before BellSouth’s withdrawal of its application. For example, Exception 101 in which KPMG found that it could not replicate BellSouth’s reported results for its Provisioning Total Service Order Cycle Time measure is still open today.<sup>35</sup> Other exceptions that were opened before BellSouth withdrew its application and which remain open today include findings that KPMG cannot replicate BellSouth’s reported values in: (1) the Provisioning LNP Total Service Order Cycle Time measurement report;<sup>36</sup> (2) the Acknowledgment Message Timeliness report;<sup>37</sup> (3) the LNP Missed Appointments report;<sup>38</sup> (4) the Percent Completions/Attempts Without Notice or with less than 24 hours Notice report;<sup>39</sup> and (5) the Coordinated Conversions Interval report.<sup>40</sup>

60. With respect to certain exceptions, KPMG has made repeated efforts to replicate BellSouth’s values to no avail. For example, on December 4, 2000, KPMG issued Exception 10, finding that BellSouth’s “implemented metrics calculations” for the LNP Reject

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<sup>35</sup> KPMG Exception 101, dated August 24, 2001 (attached hereto as Attachment 16).

<sup>36</sup> KPMG Exception 153, dated February 22, 2002 (attached hereto as Attachment 17). Exception 153 was formerly Observation 113, dated August 29, 2001.

<sup>37</sup> KPMG Exception 109, dated September 6, 2001 (attached hereto as Attachment 18).

<sup>38</sup> KPMG Exception 152, dated February 22, 2002 (attached hereto as Attachment 19). Exception 152 was formerly Observation 125, dated October 17, 2001.

<sup>39</sup> KPMG Exception 151, dated February 22, 2002 (attached hereto as Attachment 20). Exception 151 was formerly Observation 139, dated November 13, 2001.

<sup>40</sup> KPMG Exception 154, dated February 22, 2002 (attached hereto as Attachment 21). Exception 154 was previously Observation 142, dated December 1, 2001.

Interval Measure were “inconsistent with the documented metrics calculations.”<sup>41</sup> Even after BellSouth offered an explanation for the discrepancies between BellSouth’s and KPMG’s values, KPMG still could not replicate BellSouth’s results.<sup>42</sup> After BellSouth offered yet another explanation for these discrepancies, KPMG retested but found that BellSouth’s data set improperly excluded certain transactions. *Id.* After reviewing BellSouth’s response to its Second Amended Exception 10, KPMG once again attempted to replicate BellSouth’s values, but was unsuccessful. *Id.*

61. Since BellSouth’s withdrawal of its application, KPMG has two additional metrics calculation/replication test exceptions. In these exceptions, KPMG found that it could not replicate the values in BellSouth’s LNP FOC for Timeliness Interval report and Jeopardy Notice Interval report.<sup>43</sup>

62. KPMG also has issued a number of observations during its metrics tests. KPMG has found that BellSouth’s ability to identify and manually notify retail and CLEC customers separately is inconsistent with the “parity by design” benchmark documented in the measure for Mean Time to Notify CLEC of Network Outages.<sup>44</sup> KPMG has also determined that BellSouth has no documented procedure or control for monitoring open change requests in TeamConnection.<sup>45</sup> In other observations, KPMG has found that BellSouth posted raw data on the website without simultaneously posting the corresponding release of the raw data user’s

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<sup>41</sup> KPMG Exception 10, dated December 4, 2002 (attached hereto as Attachment 22).

<sup>42</sup> See KPMG 3<sup>rd</sup> Amended Exception 10, dated February 11, 2002 (attached hereto as Attachment 23).

<sup>43</sup> KPMG Exception 132, dated January 3, 2002 (attached hereto as Attachment 24); KPMG Exception 135, dated January 8, 2002 (attached hereto as Attachment 25).

<sup>44</sup> KPMG Observation 161, dated January 28, 2002 (attached hereto as Attachment 26).

<sup>45</sup> KPMG Observation 118, dated September 6, 2001 (attached hereto as Attachment 27).

manual,<sup>46</sup> and that BellSouth's instructions in the Raw Data Users Manual are inadequate for calculating metrics values.<sup>47</sup> KPMG also has reported that it cannot replicate the values in the FOC and Reject Response SQM CLEC aggregate report.<sup>48</sup> The fact that these numerous exceptions and observations are open in Florida provides further confirmation that BellSouth's performance data are unreliable and inaccurate.

63. Importantly, KPMG's metrics testing in Florida is far from complete. KPMG has stated that Phase I of the OSS third party test in Florida will be complete in June 2002; however, the target date for completion of the metrics audit remains unclear. Because of the difficulties KPMG encountered in evaluating data transmitted between BARNEY and PMAP Staging, combined with BellSouth's decision to replace BARNEY, KPMG has reported that it plans to reexamine completed metrics test and extend testing by 3 months.

64. Furthermore, on February 27, 2002 during a conference call on the Florida third party test, KPMG confirmed that its data integrity test of BellSouth's flow through data will be delayed. In this regard, KPMG stated that: (1) it was unsuccessful in obtaining the business rules that BellSouth used in reporting LNP flow through results; (2) it could not conduct an analysis of BellSouth's non-LNP flow through results using the current version of PMAP (PMAP 2.6); and (3) it plans to conduct an analysis of BellSouth's Non-LNP and LNP flow through data using PMAP Version 4.0 which will be released in March.<sup>49</sup> KPMG also

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<sup>46</sup> KPMG Observation 131, dated October 23, 2001 (attached hereto as Attachment 28).

<sup>47</sup> KPMG Observation 158, dated January 8, 2002 (attached hereto as Attachment 29).

<sup>48</sup> KPMG Observation 137, dated November 12, 2001 (attached hereto as Attachment 30).

<sup>49</sup> During a conference call on February 13, 2002, KPMG stated that it plans to test PMAP 4.0. KPMG reported that "for the metrics which are currently matched for 3 months, [KPMG] will review BellSouth's testing work reports and compare reports generated from the current process and the new process to determine if the validated process can be audited." BellSouth-Florida OSS Testing Evaluation Status Meeting Minutes, February 13, 2002 at 8 (attached hereto as Attachment 31). Once that work is

reported that it has not determined which three months of flow-through data it will replicate in Florida.

65. Notably, these developments confirm that BellSouth's LNP flow through data have not been audited. Furthermore, it is clear that the modifications that BellSouth implemented in reporting its non-LNP flow through results from June through August 2001 have not been audited. In fact, during the most recent status call, KPMG confirmed that it has not evaluated these modifications or the related data and has no intention of doing so. Given these developments in Florida, it stands to reason that these issues will also impact and possibly delay testing in Georgia.

### **C. Implications of the Georgia and Florida Tests**

66. Significantly, with respect to 23 metrics that KPMG has started to evaluate for data integrity in Florida and Audit III in Georgia, 8 or 35% have open observations or exceptions which describe problems with BellSouth's performance data or calculation of values for these measures.<sup>50</sup> Multiple observations or exceptions are open with respect to six of these eight metrics. For example, in Florida and Georgia there are eight open exceptions relating to FOC Timeliness,<sup>51</sup> as well as 8 open exceptions relating to rejected service requests.<sup>52</sup>

67. Furthermore, in its testing under PMR-5, KPMG has opened 21 observations or exceptions in Florida and Georgia because of difficulties in recalculating the

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completed, KPMG reported that, for any metric currently in progress, not started, or "not matched," it will conduct 3 months of replication testing using PMAP 4.0.

<sup>50</sup> These measures are: Flow-Through, % rejected service requests, Reject Interval, FOC Timeliness, FOC and Rejection Completeness, % Completions/Attempts w/o Notice, Coordinated Conversions, and Total Service Order Cycle Time.

<sup>51</sup> Florida Exceptions: 36, 114, 132, 145, 150; Georgia Exceptions: 122, 136 and 137.

<sup>52</sup> Florida Exceptions: 10, 36, 120, 143, 144; Georgia Exceptions: 122, 136 and 137.

reported performance results using raw data files and computation instructions provided by BellSouth. These deficiencies are neither trivial nor insignificant.

68. In its latest application, BellSouth contends that “[t]hroughout the three [Georgia] audits, KPMG has reviewed every Key Measure in at least one of the audits . . . [and that] “[t]hese facts, in conjunction with all of the other indicia of data reliability, should give the Commission a high degree of assurance that BellSouth’s data accurately reflect its performance.” Varner Supp. Aff. ¶ 32. BellSouth is wrong.

69. In order to place BellSouth’s contention in context, we have attached a chart which graphically illustrates that very few of BellSouth’s “key” measures have actually passed the data replication test or data integrity test during Audit III in Georgia.<sup>53</sup> Indeed, of BellSouth’s 29 “key” measures, only six have passed the data integrity test segment.<sup>54</sup>

70. Of Bell South’s 29 “key” measures, only 10 metrics have passed the metric replications evaluation. *Id.* Additionally, with respect to 11 of the “key” measures, there are open exceptions and observations in Florida and Georgia.

71. Clearly, BellSouth has not demonstrated and cannot demonstrate that KPMG’s audits conducted to date constitute incontrovertible evidence that any concerns regarding the integrity and accuracy of its data are unwarranted. Far too much testing remains to be conducted before any such conclusion can be reached; and, in all events, the limited testing conducted to date highlights the fragility of BellSouth’s allegations regarding the trustworthiness of its data.

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<sup>53</sup> See Chart on the Status of Audit III (attached hereto as Attachment 32).

<sup>54</sup> These measures are: Invoice Accuracy; Mean Time to Deliver Invoices; Usage Data Accuracy; Usage Data Delivery Timeliness; Usage Data Delivery Completeness; and % Due Dates Missed Collocation.

**IV. BELLSOUTH HAS NOT RESOLVED AT&T'S DATA INTEGRITY CONCERNS.**

72. In an apparent effort to show that the concerns raised by CLECs regarding data integrity are meritless, BellSouth states that no CLEC has brought to the GPSC's attention issues regarding data integrity using the procedures that the GPSC established. Varner Supp. Aff. ¶ 14. BellSouth's allegations are highly misleading and elevate form over substance.

73. In this regard, BellSouth suggests that the CLECs' data integrity arguments cannot possibly be meritorious because they have not seen fit to file *formal* complaints against BellSouth before the GPSC on these matters. As the DOJ correctly observed, AT&T and other "CLECs repeatedly raised issues about the metrics' accuracy with BellSouth, with KPMG during OSS and metrics tests and with representatives of the Georgia and Louisiana PSCs." DOJ Eval. at 40 n. 108. In fact, WorldCom recently filed a petition before the GPSC requesting that the GPSC initiate proceedings to address, *inter alia*, issues involving BellSouth's data integrity.<sup>55</sup> AT&T filed a motion in support of WorldCom's petition.<sup>56</sup> In opposing WorldCom's petition and AT&T's motion, BellSouth asserted that no further proceedings are warranted since the GPSC "has already determined that BellSouth's performance is reliable and can be relied upon in assessing compliance with the requirements of Section 271."<sup>57</sup> BellSouth also argued that it "has adequately addressed AT&T's concerns

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<sup>55</sup> WorldCom's Petition to Address OSS, Change Management and Data Integrity Issues, *In Re: Consideration of BellSouth Telecommunications, Inc.'s Entry Into InterLATA Services Pursuant to Section 271 of the Telecommunications Act of 1996*, Docket No. 6863-4 (GPSC).

<sup>56</sup> Motion in Support of WorldCom, Inc.'s Petition to Address OSS, Change Management and Data Integrity Issues on Behalf of AT&T Communications of the Southern States, L.L.C., Teleport Communications Atlanta, L.L.C. and AT&T Broadband Phone of Georgia, L.L.C., *In Re: Consideration of BellSouth Telecommunications, Inc.'s Entry into InterLATA Services Pursuant to Section 271 of the Telecommunications Act of 1996*, Docket No. 6863-U (GPSC).

<sup>57</sup> BellSouth Telecommunications, Inc.'s Response to WorldCom's Petition to Address OSS, Change

regarding data integrity that were raised during workshops in Docket 7892-U.” *Id.* Thus, by BellSouth’s own admission, AT&T has, in fact, raised its data integrity concerns in the issues before the GPSC. Tellingly, BellSouth is strongly resisting the CLECs’ efforts to conduct further proceedings on these matters.

74. As further evidence that its performance data are reliable, BellSouth contends that it has addressed, resolved, or successfully refuted all data integrity issues that AT&T and other commenters have raised since the filing of BellSouth’s initial application. Varner Supp. Aff. ¶ 84. BellSouth is wrong. An analysis of BellSouth’s responses to some of these data integrity concerns is discussed below.

75. **Discrepancies in Order Volumes.** As AT&T demonstrated in its opening comments, the unreliability of BellSouth’s performance data is illustrated by the discrepancies in common sets of data which presumably should reflect the same volumes of LSRs. *See, e.g.,* Bursh/Norris Reply, Decl., ¶ 21. In this regard, AT&T pointed out that there were discrepancies in the volumes that BellSouth reported in its Flow Through Report and Acknowledgment Raw data. In its supplemental application, BellSouth points to its recent correspondence with AT&T as evidence that AT&T erroneously assumed that the number of LSRs in the Acknowledgement raw data files should match the number of LSRs in the Flow-Through Report. *See* Varner Supp. Aff. ¶ 85. BellSouth’s analysis cannot withstand scrutiny.

76. In its correspondence, BellSouth explained that EDI volumes in these two reports do not and should not match because “EDI returns an acknowledgement per transmission (or envelope) even though the transmission may contain multiple LSRs”; whereas

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Management and Data Integrity Issues, *In Re: BellSouth Telecommunications, Inc.’s Entry into InterLATA Services Pursuant to Section 271 of the Telecommunications Act of 1996*, Docket No. 6863-U

the flow-through report provides information at the LSR level. *Id.* However, BellSouth's explanation is erroneous. AT&T receives acknowledgments for individual LSRs it sends to BellSouth.

77. BellSouth also claimed that the LSR volumes for TAG and LENS reported in the Acknowledgment raw data file and the Flow-Through report should not match because "TAG returns acknowledgments on messages related to pre-order activity, which are not reflected on the Flow-Through report."<sup>58</sup> BellSouth's explanation does not ring true for the UNE-P orders that AT&T referenced in its correspondence to BellSouth on these issues. In this regard, UNE-P pre-ordering activity is all done within the actual LSR that is sent to BellSouth *via* LENS; therefore, no additional acknowledgments for pre-order activity should be associated with such orders. Additionally, taking BellSouth's explanation at face value, there should be pre-order acknowledgements in TAG for every LSR that is sent *via* EDI. Based upon AT&T's examination of its December data, this clearly is not the case. Thus, BellSouth's explanations regarding the discrepancies in volumes reflected in its reports are inconsistent with its own data.

78. Third, BellSouth also admitted that the volumes in the two reports do not match because, prior to November 7, 2001, PMAP was not receiving feeds from two processors.<sup>59</sup> Remarkably, however, BellSouth has asserted that its exclusion of these data from its performance results does not raise any data integrity issue. In an attempt to trivialize the significance of this matter, BellSouth has stated that its exclusion of data:<sup>60</sup>

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at 11-12.

<sup>58</sup> Varner Supp. Aff, Supp. Ex. PM-23 at 1.

<sup>59</sup> *Id.* at 2.

<sup>60</sup> Varner Reply Aff. ¶50 (emphasis in original).

impacts the volumes of transactions, not the performance results reported in both the Acknowledgment Message Completeness and Acknowledgment Message Timeliness metrics for LSRs submitted via LENS. The measure accurately reflects BellSouth's performance for the volumes captured given that the LENS services are identical. Moreover, there is not reason to expect that BellSouth's performance on the other LENS services would be any different than the reported data with respect to the Acknowledgment Message Completeness and Acknowledgment Message Timeliness metrics.

79. BellSouth's rationalization is absurd. As this Commission has found, the reliability of reported data is "critical" when examining a Section 271 application.<sup>61</sup> BellSouth was ordered by the GPSC to report on its actual performance in providing service to CLECs. Performance measures serve no useful purpose unless they accurately capture the performance they are intended to measure. Clearly, BellSouth's performance measures and results do not serve their intended purpose if they erroneously capture a highly selective portion of BellSouth's actual performance.

80. Similarly, based upon AT&T's comparison of order completion and the average completion notice interval raw data, it was clear that BellSouth had excluded numerous LSRs from the raw data files for its measure of the Average Completion Notice Interval. Bursh/Norris Reply Decl. ¶ 16. In its most recent correspondence, BellSouth stated that a number of AT&T's LSRs were properly excluded because they were, *inter alia*, project orders, and that "these exclusions are properly set forth in BellSouth's Service Quality Measurement ("SQM") plan."<sup>62</sup> However, BellSouth's statements are belied by its own SQM. BellSouth's

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<sup>61</sup> Memorandum Opinion and Order, *In re: Application of SBC Communications, Inc., Southwestern Bell Telephone Company and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region Inter LATA Services in Texas*, 15 FCC Rcd 18,354, ¶ 429 (June 30, 2000).

<sup>62</sup> Letter from Bennett Ross to K. C. Timmons dated February 18, 2002 at 3 (attached hereto as Attachment 33).

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SQM (Measurement P-5: Average Completion Notice Interval) states explicitly that the only orders which should be excluded from the measurement are:<sup>63</sup>

- Cancelled Service Orders
- Order Activities of BellSouth or the CLEC associated with internal or administrative use of local services (Record Orders, Listing Orders, Test Orders, etc.)
- D&F orders (Exception: D orders associated with LNP standalone.

81. Conspicuously absent from the list of exclusions is any reference to *project orders*. Thus, the very SQM that BellSouth cites provides no basis for its exclusion of project orders from the raw data on the Average Completion Notice Interval measure.

82. BellSouth also contended that 954 LSRs were excluded for the following reason:<sup>64</sup>

approximately 954 of the LSRs are trigger orders for standalone LNP which did not carry an OCN on the LSR that would identify it as an AT&T order. As a result, these LSRs were listed in the raw data files as BellSouth orders. BellSouth has begun implementing a process to capture the OCNS on trigger orders for standalone LNP, which should be completed with January 2002 data.

83. It must be emphasized that BellSouth issues the trigger orders for standalone LNP after AT&T submits its LSRs. Furthermore, because any LSR that is submitted without an OCN is automatically rejected by BellSouth's systems, BellSouth cannot issue a trigger order unless the LSR carries an OCN identifying it as a CLEC order. Accordingly, BellSouth is solely responsible for its improper exclusion of these LSRs from its performance data.

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<sup>63</sup> See Varner Aff. Georgia/Louisiana Ex. PM-1 at 3-13.

<sup>64</sup> Varner Supp. Aff. Supp. Ex. PM-23 at 4.

84. Furthermore, as the Bradbury/Norris Supplemental Declaration explains, even the data that BellSouth has provided in its supplemental application regarding BellSouth's analysis of double FOCs raise issues regarding the reliability of BellSouth's reported results. The number of LSRs that BellSouth reports in analyzing the percentage of "double FOCs" does not comport with the volume of LSRs reflected in its flow-through reports. Indeed, although UNE-P orders are merely a subset of all UNE orders, during some months in BellSouth's data, the number of UNE-P requests in BellSouth's analysis on double FOCs actually exceeds the total number of UNE LSRs reflected in BellSouth's flow-through reports. These discrepancies in order volumes underscore that BellSouth's data cannot be trusted.

85. **Completion Notice Problems.** BellSouth has not resolved other issues regarding the integrity of BellSouth's data that AT&T has raised. In its comments on BellSouth's initial application, AT&T explained that BellSouth unilaterally excludes from its performance results completion notices when the order is completed in one month, but the completion notice is issued in another. Bursh/Norris Decl., ¶ 97; Bursh/Norris Reply Decl. ¶ 10. BellSouth has not corrected this problem, but promises to resolve this issue starting with its April 2002 data. Thus, not only has BellSouth failed to fix this defect in its reporting processes, but its improper exclusion of this category of completion notices also confirms that the performance data on which it relies in its application are inaccurate.

86. Similarly, BellSouth also has not resolved issues regarding the lack of completion notices for orders submitted directly into BellSouth's Service Order Central System ("SOCS"). In explaining why certain AT&T orders were excluded from the Average Completion Interval reports, BellSouth recently stated that:<sup>65</sup>

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<sup>65</sup> Letter from Viki Clayton to Matthew Dennis dated September 27, 2001 (attached hereto as Attachment

some service orders can be directly entered into BellSouth's Service Order Central System (SOCS) without being submitted through one of the electronic gateways (partial and fully mechanized) or by fax (non-mechanized). In this case, an order with no mechanization identifier is currently excluded from the ACNI reports because they do not have a completion notice; however, they are included in the order Completion Interval (OCI) reports.

87. This explanation conflicts with an explanation that BellSouth's witness Alphonso Varner proffered during the Florida workshop. Mr. Varner stated that these service orders were administrative orders and were, therefore, properly excluded in accordance with the business rules in the SQM. Even assuming *arguendo* that these orders are administrative orders, as Mr. Varner claims, BellSouth's explanation is still nonsensical. These so-called administrative orders were in the OCI data. Under the business rules governing the OCI and ACNI measures, administrative orders should be excluded from both reports. As a consequence, if these orders are administrative orders, as BellSouth claims, they should not have appeared in the OCI or ACNI reports. Thus, BellSouth's conflicting explanations highlight that these issues have not resolved, and that even BellSouth is confused regarding the circumstances under which it excluded AT&T's data.

88. In its supplemental application, BellSouth euphemistically refers to certain "enhancements" it plans to make in measuring its Average Completion Notice Interval with its February 2002 data. Varner Supp. Aff. ¶ 72. In this regard, BellSouth notes that, when some LSRs "are legitimately excluded from the ordering measures but are included in provisioning measures," BellSouth has omitted the completion notices associated with these LSRs from its performance results. Varner Supp. Aff. ¶ 73. BellSouth contends that it will

start including these completion notices beginning with its February 2002 data. Although this planned corrective step is welcomed, BellSouth's promise to correct this error simply holds out the possibility that BellSouth may take the necessary steps to ensure that this category of orders is not excluded from its data in the future. However, the mere expectation that BellSouth will take this corrective action is insufficient to respond to AT&T's factual showing that its performance data are inaccurate because they fail to capture accurately and comprehensively BellSouth's actual performance.

89. **Jeopardy Notice Timeliness.** BellSouth concedes that its data on jeopardy notice timeliness are inaccurate. Varner Supp. Aff., ¶ 76. Insisting that it is not relying on the jeopardy notice measure for purposes of its application, BellSouth contends that the jeopardy notice measure is not "meaningful." *Id.* Try as it might, BellSouth cannot escape the fact that this Commission has repeatedly stressed the "critical" importance of timely jeopardy notices to CLECs so that they can inform their customers when new services will not be installed on the scheduled due date and promptly reschedule the time for service installation.<sup>66</sup> Unfortunately, BellSouth's improper calculation of this measure renders it impossible to assess its performance in this area.

90. In an effort to divert attention from these shortcomings, BellSouth asserts that the Commission can rely on its missed appointments data as a substitute for the jeopardy notice metric. BellSouth is wrong once again. The missed appointment measure is not a suitable surrogate for the jeopardy notice metric for at least two reasons. First, the purpose of the jeopardy notice measure is to determine whether the appropriate amount of *advance* notice has been given to the customer that an appointment is in jeopardy and may be missed.

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<sup>66</sup> *First Louisiana 271 Order*, ¶ 39; *Second Louisiana 271 Order*, ¶¶ 131, 133.

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In stark contrast, the missed appointment measure counts the number of actual missed appointments. Indeed, BellSouth could very well meet the parity standard for missed appointments, but fail the performance standard for jeopardy notices. Second, the missed appointments measure does not take into account those orders that were in jeopardy, but were later cancelled by the customer. For these reasons, missed appointments data cannot serve as a substitute for jeopardy notice timeliness results.

91. **Resent FOCs.** BellSouth has not resolved concerns regarding the reliability of its FOC timeliness data. BellSouth's concept of successful performance appears to be grounded in the notion that timeliness of performance is paramount, no matter how abysmal its quality. In that connection, AT&T's opening comments raised concerns that BellSouth could skew performance results by issuing inaccurate and multiple FOCs and capturing only the first FOC in its FOC timeliness results. Bursh/Norris Reply Decl. ¶ 73. BellSouth has since confirmed that, *whenever* it issues multiple FOCs associated with a single LSR, its performance results capture only the first FOC. In fact, BellSouth insists that this approach is eminently reasonable. Varner Reply Aff., ¶ 36. BellSouth is mistaken.

92. In this regard, "[b]y excluding resent confirmations, Bell-Atlantic could send a useless confirmation to the parties in order to have good performance on this metric, and then send a meaningful one later, which would be excluded."<sup>67</sup> As a result, the New York Public Service Commission found that Bell Atlantic should "capture resent confirmations when measuring order confirmation timeliness so that the CLECs could completely monitor how timely Bell-Atlantic New York confirms service orders." *Id.* Given

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<sup>67</sup> NYPSC Order Adopting Inter-Carrier Services Quality Guidelines, No. 97-C-0139, Appendix at 3 (February 16, 1999).

BellSouth's admission that it captures only the first FOC in its results, those results cannot possibly be relied upon as reliable evidence of its actual performance in this area.

93. **Missed Appointments.** BellSouth has yet to resolve other data integrity issues that AT&T has raised. BellSouth continues to exclude from its performance data all appointment misses occurring after the first missed appointment. *See* Bursh/Norris Decl. ¶¶ 51-57. Clearly, if BellSouth is responsible for appointment misses occurring after the first missed appointment, BellSouth should be held accountable for its performance failures and those failures should be captured in BellSouth's performance results. *Id.* ¶ 56.

94. **Raw Data.** BellSouth has yet to provide the LSR detail report for LNP flow-through it has promised. BellSouth also continues to refuse to provide the raw data so that AT&T can verify the validity of BellSouth's exclusion of LSRs classified as projects. And although BellSouth has agreed to include directory listings orders in its ordering results, it has refused to provide the raw data for the directory listing orders that are excluded from provisioning results. BellSouth's current position violates GPSC orders and BellSouth's own practice. For example, although L-coded orders are an authorized exclusion for the Order Completion Interval measure, BellSouth includes L-coded orders in the raw data and instructs CLECs to remove such orders during the calculation process. *See* Raw Data User's Manual, Version 2.2.01 at 33. AT&T is clearly entitled to any raw data relating to its directory listings and other orders. Even BellSouth has conceded that CLECs must access BellSouth's raw data so that they can "verify the performance reports." Varner Reply Aff. ¶ 29.

V. **BELLSOUTH'S PERFORMANCE MEASURES ARE INADEQUATE.**

95. In their opening comments, AT&T, the DOJ, and other commenters explained that the reported data on which BellSouth relies are misleading and unreliable

because they are based upon measurements with inherent deficiencies. Indeed, performance measures are absolutely meaningless if they do not comprehensively and accurately capture the performance they are purportedly intended to measure. Many of the performance measurements on which BellSouth so heavily relies fail this basic test.

96. In its supplemental application, BellSouth asserts that any criticisms leveled against its performance measures “are being handled in the state commission reviews and need not be addressed in this proceeding.” Varner Supp. Aff. ¶ 116. BellSouth’s analysis is wide of the mark.

97. While it is certainly true that BellSouth and the CLECs are participating in workshops during which certain measures are being discussed, these proceedings do not and cannot alter the fact that BellSouth’s performance data cannot be trusted because the measurements on which they are based are fundamentally flawed. A few examples of the deficiencies in BellSouth’s measures are listed below.

98. **Hot Cuts.** AT&T’s opening comments pointed out that BellSouth’s hot cut performance is wholly inadequate. Berger Decl. ¶¶ 40-71. AT&T also explained that BellSouth’s hot cut data are inaccurate because of defects in the measures on which they are based. Bursh/Norris Decl., ¶ 74; Berger Decl., ¶ 44. Although the deficiencies in BellSouth’s hot cut measures are currently being discussed in workshops, those workshops cannot and do not absolve BellSouth of satisfying its burden of proof that the hot cut data on which it relies for purposes of this application are accurate. BellSouth has not met and cannot meet this burden. As the DOJ correctly observes, BellSouth’s hot cut data are deficient because the underlying measures do not “include the time it takes to notify CLEC customers that a cut has been completed.” DOJ Eval. at 37.

99. **OSS Availability.** Similarly, DOJ and the other commenters explained that BellSouth's data on OSS availability are misleading because "it only tracks full outages and excludes instances of degraded functionality." Varner Supp. Aff. ¶ 109 (citing the DOJ Eval. at 36). Although BellSouth recently stated a willingness to change its calculation of this measure, that agreement, while a step in the right direction, does not change the fact that BellSouth's data in its application on OSS Availability obscure BellSouth's performance in this area.

100. **Order Completion Interval.** The opening comments confirmed that BellSouth's order completion data submitted with its application are inaccurate because BellSouth's Order Completion Interval "measure does not capture the service provisioning interval from which a CLEC sends its order to BellSouth to when an order is actually provisioned." DOJ Eval. at 37. *See also* Bursh/Norris Decl. ¶ 75. Although these defects in the OCI measure have been discussed in workshops, the fact remains that BellSouth cannot legitimately contend that its provisioning performance is exemplary when its OCI measure and related data fail to capture the full extent of BellSouth's performance in this area.

101. **Trunk Group Performance.** In their opening comments, AT&T and the DOJ explained that BellSouth's trunk group performance data do not accurately capture BellSouth's performance. DOJ Eval. at 37; McConnell/Berger Decl. ¶¶ 13-27; Bursh/Norris Decl., ¶ 73. The measure on which BellSouth relies compares blockage on trunk groups between BellSouth's end office with blockage on other categories of group in the network, including trunk groups that carry more BellSouth than CLEC traffic. Thus, the measurement does not permit a fair comparison of trunk group blocking experienced by CLECs and BellSouth. McConnell Decl., ¶¶ 13-27; Bursh/Norris Decl. ¶ 73. Although BellSouth states

in its latest application that it has proposed certain modifications to this measure to the GPSC, its latest proposal does not change the fact that the measure on which BellSouth relies for purposes of its application is wholly inadequate to assess its performance in this area.

102. **Flow Through.** In its supplemental application, BellSouth attempts to address the DOJ's concerns about its inclusion of "dummy FOCs" in its flow-through data. Varner Supp. Aff. ¶ 111. In doing so, BellSouth suggests that it has included dummy FOCs in its flow through data at the insistence of AT&T. This is not true. AT&T requested that BellSouth provide the raw data for dummy FOCs in its FOC timeliness data. Furthermore, as AT&T pointed out in its opening comments, BellSouth's flow through measure upon which it relies in its application — the "CLEC Error Excluded Calculation" — is unreliable. Bursh/Norris Decl. ¶ 71. The CLEC Error Excluded Calculation measure, which excludes any fall-out attributable to BellSouth's own system design, clearly overstates BellSouth's actual flow through performance.

**VI. BELLSOUTH'S OWN DATA, COMBINED WITH CLEC AND OTHER DATA, SHOW THAT IT IS NOT MEETING ITS STATUTORY OBLIGATIONS.**

103. In addition to the inaccuracies and inadequacies in BellSouth's performance data, even BellSouth's own performance results, in combination with CLEC and other data, demonstrate that it has not provided CLECs with nondiscriminatory performance.

**A. Ordering Process**

**1. Service Order Accuracy**

104. In its comments on BellSouth's initial application, AT&T and other commentators explained that BellSouth's service order accuracy rates are woefully low. Bursh/Norris Reply Decl. ¶ 65; Bursh/Norris Decl. ¶ 116; DOJ Eval. at 17-19; Birch at 19-20. Conceding that the Commission's Staff had expressed concerns about its performance in this area, BellSouth now proclaims that its performance has improved significantly. Supp. Application at 1, 4, 25. In an attempt to buttress this allegation, BellSouth, pointing to its December 2001 results, asserts that it exceeded the benchmark for seven UNE sub-metrics and eight of the 11 resale sub-metrics. Supp. Application at 26; Stacy/Varner/Ainsworth Aff. ¶¶ 159-160. However, one month of purported improved performance is insufficient to demonstrate stability of performance results. Notably, in October 2001 in Georgia, BellSouth failed to meet the benchmark for service order accuracy for one of the resale sub-metrics and three of the seven UNE sub-metrics. In November 2001, BellSouth missed the benchmark standard for four resale sub-metrics, two UNE sub-metrics, and one trunk sub-metric. In December 2001, BellSouth failed to meet three of the resale sub-metrics, but purportedly satisfied the benchmark standard for all UNE sub-metrics.<sup>68</sup>

105. The purported improvement in BellSouth's service order accuracy rate for UNEs in December, which occurs on the heels of BellSouth's changes to its sampling methodology, is highly suspicious. *See* Varner Supp. Aff. ¶¶ 68-69. In this regard, BellSouth claims that "[s]tarting with November 2001 data, BellSouth changed the [service order accuracy] measurements to improve the statistical validity of the sample." Varner Supp. Aff. ¶ 65. In describing these modifications, BellSouth states that: (1) instead of calculating the measure based upon State-specific results, it now calculates its performance "based on a nine

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<sup>68</sup> *See* B.2.34.2.1.2, B.2.34.2.2.1, B.2.34.2.2.

state aggregate sample”; (2) it has “expanded the sampling methodology to sample from all 24 sub-metric categories”; (3) it now captures all products in the universe of data examined, including UNE-P orders that were previously excluded; and (4) instead of “evaluating all SOs associated with a particular LSR,” it now includes “only sampled SOs.” Varner Supp. Aff. ¶ 66.

106. Consistent with its pattern of making unilateral changes to metrics previously approved by the GPSC, the service order accuracy modifications that BellSouth touts in its supplemental application were made without the prior knowledge or consent of the CLECs or the approval of the GPSC. Indeed, BellSouth’s supplemental application is the first time that AT&T became aware of these changes.

107. Although BellSouth heralds these alleged improvements in its sampling methodology, the timing of BellSouth’s changes to this measure is suspect. It appears that BellSouth implemented these changes after filing its Section 271 application and after the commentators pointed out that BellSouth’s performance in the area of service order accuracy is sorely deficient. Even leaving aside the timing of these modifications, the nature of the purported improvements to its sampling methodology should be met with skepticism. As the Supplemental Declaration of Robert Bell explains, BellSouth’s latest application omits the most rudimentary information that is required to assess the validity of the samples that BellSouth used in calculating performance results based upon this “new and improved” methodology. Thus, for example, BellSouth’s supplemental application does not reveal whether BellSouth drew a random sample, the factors used in determining sample size, or the service order selection process.

108. Furthermore, BellSouth’s unilateral decision to change the service order accuracy measure from a State-wide to a regional report diminishes the report’s value and

increases the risk that BellSouth can conceal subpar performance in Georgia. Under BellSouth's new methodology, BellSouth now relies on a sample of orders from nine states. Importantly, as explained in the Supplemental Declaration of Robert Bell, BellSouth has not demonstrated that its performance in all states is the same. In fact, BellSouth has produced evidence which casts serious doubt on any such assumption.

109. Thus, for example, in its initial round of comments, BellSouth revealed that, in August 2001, its service order accuracy rate in Georgia was 76.4%, while the regional service order accuracy rate was 83.8%. Stacy/Varner/Ainsworth Reply Aff. ¶ 49. As explained in the Supplemental Affidavit of Robert Bell, from May 2001 to September 2001, BellSouth's service order accuracy rates in Georgia were worse than the regional rates by 0.9 to 7.4 percentage points; and the probability of this occurring by chance is only 0.016. Performance data must be "sufficiently disaggregated to permit meaningful comparison."<sup>69</sup> When performance results are not sufficiently disaggregated, differences in actual performance results can be concealed. BellSouth's new regional sampling methodology increases the probability that substandard performance in Georgia will go undetected.

110. Further, as Dr. Bell explains in his supplemental declaration, the wide fluctuations in sample sizes in BellSouth's reported results are additional reasons for concern. In November 2001, BellSouth's sample sizes for a number of submetrics exceeded 100 observations. In stark contrast, in December sample sizes declined to as few as 35 observations. These sample sizes could be problematic because they may conceal discriminatory performance that otherwise would have been detected if the entire universe of orders had been included in performance results.

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<sup>69</sup> *Michigan 271 Order* ¶¶ 212, 206. See also *Second BellSouth Louisiana 271 Order*, ¶ 92.

111. Moreover, BellSouth has provided no empirical evidence to the Commission verifying the validity of the purported random sample. In this regard, BellSouth's announcement that it has improved its sampling methodology by jettisoning its evaluation of *all* service orders associated with a single LSR is troubling.

112. As BellSouth concedes, multiple service orders can be associated with a single LSR. Indeed, BellSouth issues a minimum of two service orders ("N" and "D") for every UNE order submitted. In many cases, other orders such as directory listings and trigger orders are also issued. BellSouth claims that, under its prior methodology, it evaluated *all* service orders associated with an LSR, but reported its results at the LSR level. Varner Reply Aff. ¶ 64. Accordingly, if an LSR generated three service orders, all three service orders would have been evaluated to determine whether BellSouth met the performance standard for the service order accuracy measure. BellSouth now asserts that it has "refocused the measurement to include only sample SOs." *Id.* However, under BellSouth's new methodology, it would appear that all three service orders associated with an LSR would *not* be evaluated. This unilateral change to the service order accuracy measure can permit error-ridden service orders to be excluded from the sampled base.

113. For example, under BellSouth's old methodology, if BellSouth had selected 20 service orders for review, it would have obtained the 20 LSRs submitted by CLECs and the remainder of the service orders associated with those 20 LSRs. If the LSRs had an average of two associated service orders, BellSouth would have reviewed 40 service orders. Under the new methodology, BellSouth will only review 20 service orders. This is borne out in the table which is attached hereto as Attachment 35. As that table shows, the aggregate number of sampled service orders has declined under BellSouth's new methodology. For example,

taking BellSouth at its word, the volumes reflected in BellSouth's service accuracy data for October 2001 (before the methodology was changed) should reflect the number of LSRs.

According to BellSouth's October 2001 service order accuracy report, there were a total of 552 UNE LSRs sampled — LSRs which should have more than 1100 associated service orders.

Under BellSouth's new methodology, the volumes reported in BellSouth's service accuracy data from November 2001 through January 2002 should reflect the number of service orders.

BellSouth's December data show only 437 service orders in the sampled base under BellSouth's new approach. The difference in sample volumes is exacerbated by the fact that, according to BellSouth, mechanized UNE-P orders were added to BellSouth's sampled base effective with its November report. Because BellSouth is not reviewing all service orders associated with an LSR, it is quite possible that errors made by BellSouth's service representatives in preparing service orders will go undetected since these errors may not appear in the associated service order that BellSouth elects to review.

114. BellSouth's new methodology could skew results in other ways. All service orders do not have the same level of complexity. For example, a disconnect order is likely to be less complex than an order for new service. Similarly, a trigger order is less complex than a directory order with captioned or indented listings. Theoretically, the risk of error in a simple order should be less than that of a complex order. However, if BellSouth selects the less complex orders for sampling, it will detect fewer errors. Under such circumstances, BellSouth's reported results would not reflect its actual performance.

115. Although BellSouth touts its new approach, its flawed methodology has not been audited. KPMG's most recent interim status report indicates that it will reevaluate the

service order accuracy results starting with November 2001 results; however, as of February 5, 2002, KPMG had not reported results for this measure.

116. For all of these reasons, no solace can be taken that BellSouth's performance in the area of service order accuracy actually improved in December as BellSouth contends. Rather curiously, BellSouth has failed to provide any data showing what its service order accuracy rates would have been in November and December under the prior methodology. Additionally, as explained in the Supplemental Declaration of Bernadette Seigler, BellSouth's pronouncements regarding its improved service order accuracy rates are at odds with AT&T's actual experience with respect to BellSouth's handling of UNE-P orders. And as explained in the Supplemental Bradbury/Norris Declaration, KPMG, during its testing of BellSouth's OSS in Florida, has found numerous deficiencies in BellSouth's performance in providing accurate service.<sup>70</sup>

117. BellSouth also claims that its recent decision to include the service order accuracy measure in its performance enforcement plan will somehow assure compliant performance in the future. BellSouth is incorrect. For the reasons stated in AT&T's opening comments, the fundamental structural defects in BellSouth's performance penalty plans preclude them from serving as an effective deterrent against anticompetitive conduct in the wake of any Section 271 relief.

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<sup>70</sup> See Florida Observation 82 (noting that BellSouth did not update Customer Service Records consistently after a change in the status of the customer's account); Observation 106 (noting that BellSouth has not updated in a consistent manner the directory databases in orders submitted by KPMG); Exception 76 (finding that BellSouth failed to provision disconnect orders properly with the expected intercept recording message); Exception 84 (stating that BellSouth used the wrong codes when provisioning switch translations); Exception 112 (finding that BellSouth did not consistently provision services and features as specified in KPMG orders); Exception 156 (finding that BellSouth did not use the proper codes when provisioning OS/DA).

## 2. Flow-Through

118. BellSouth continues to rely excessively on the manual processing of orders — a phenomenon that is clearly within BellSouth's control. *See, e.g.,* Bradbury Reply Decl., ¶¶ 31-60. As explained in the Joint Supplemental Bradbury/Norris Declaration, although BellSouth claims that its CLEC Error Excluded Flow Through Rates have been "improving," BellSouth is sadly mistaken. In September, October and November, BellSouth's Business flow-through rates were "well below the 90% objective" in Georgia. Varner Supp. Aff. Ex. PM-26 at 6. In November, BellSouth's resale business CLEC Error Excluded Rate was only 75.18 percent; and in December that rate declined to 74.07 percent. Similarly, during these same months, BellSouth's flow-through rates for resale residential orders and UNE orders failed to meet performance standards. For example, in November BellSouth's flow-through rate on resale residential orders was only 89% — well below the 95% benchmark standard; and its UNE flow through rate was only 80% (below the 85% benchmark). Indeed, in December 2001, BellSouth failed to meet the performance numbers established in Georgia and Louisiana for resale residential, resale business and UNE orders.

119. Equally deficient are BellSouth's Achieved Flow-Through Rates. In December 2001, BellSouth's aggregate Achieved Flow-Through rate was only 76.29 percent. During that same month, its Achieved Flow-Through Rates were 81.62 percent for resale residential orders, 52.52 percent for resale business orders, and 68.10 percent for UNEs. *See* Varner Supp. Aff., Ex. PM-3 (F.1.22.F.1.2.5). As explained in the Supplemental Bradbury/Norris Declaration, a BOC's excessive reliance on manual processing generally creates a host of performance failures and problems, including low order accuracy rates,

untimely status notices, provisioning delays, administrative turmoil, and significant transaction costs.

### 3. Status Notices

#### a. Georgia

120. BellSouth also has failed to distribute timely status notices to CLECs. The Commission has emphasized that the timely delivery of order status notices is “critical to the ability of new entrants to compete effectively.” *First Louisiana 271 Order*, ¶ 118. Thus, for example, the Commission has stated that “[t]imely delivery of order rejection notices directly affects a competing carrier’s ability to serve its customers, because such carriers are unable to correct errors and resubmit orders until they are notified of their rejection by,” the incumbent LEC. *Id.* BellSouth has not met the performance standards for rejection notice timeliness. In October and November 2001, BellSouth failed to provide timely rejection notices for Design (Specials)/Partially Mechanized Orders. Varner Supp. Aff., Ex. PM-26 at 9. Similarly, during September and November 2001, BellSouth failed to provide timely rejection notices for 2-Wire Analog Design/Partially Mechanized orders. And from September through November 2001, BellSouth failed to meet the rejection interval benchmark for 2-Wire Analog Loop With LNP Design/Partially Mechanized orders. *Id.*

121. BellSouth has admitted that, with respect to mechanized xDSL orders that are submitted via EDI, “[w]hen the CLEC submits a supplement to cancel an LSR, the system does not recognize the supplement as a valid service order and does not send a response.” *Id.* at 11. Thus, as to this category of orders, BellSouth does not issue a response in the form of a reject (or, for that matter, a clarification or FOC).<sup>71</sup>

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<sup>71</sup> As explained in the Supplemental Bradbury/Norris Declaration, KPMG has issued exceptions and

**b. Louisiana**

122. In October 2001, BellSouth failed to return timely rejection notices on six of nine populated categories of fully-mechanized orders, including orders for: UNE-P; Line Sharing; Loop with LNP-designed; Other Designed; Other Non-Designed; and LNP Standalone. BellSouth fared no better in November. During that month it failed to return in a timely manner rejection notices for six of the nine populated categories of fully-mechanized orders. In December 2001, BellSouth missed the performance standard for five of ten categories of fully-mechanized orders, including those for UNE-P, Loop Designed, UNE Other Designed and Non-Designed, and LNP-Standalone.

123. Tellingly, although BellSouth has unilaterally excluded non-business hours from its calculation of the timeliness of rejection notices for partially-mechanized orders, it still has failed to meet the performance standard. In October and November 2001, BellSouth failed to return timely rejection notes on partially-mechanized ISDN and Loop with LNP-Designed LSRs. In December 2001, BellSouth failed to return in a timely manner rejection notices on partially-mechanized: (1) Loop with LNP-designated orders; (2) Loop with LNP-non-designed orders; and (3) LNP Standalone orders.

124. Similarly, although BellSouth has excluded non-business hours when calculating FOC timeliness for partially-mechanized orders, its reported results show that it still fails to return timely FOCs to CLECs. In October 2001, BellSouth failed to provide

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observations finding that BellSouth has failed to return timely rejection notices and FOCs on partially-mechanized orders. KPMG also noted in an observation that BellSouth failed to distribute complete FOCs and completion notices for those xDSL orders that were submitted *via* LENS. Bradbury Reply Decl., ¶ 65.

timely FOCs on partially-mechanized, Line Sharing,<sup>72</sup> Other Non-Designed<sup>73</sup> and Loop with LNP non-designed LSRs.<sup>74</sup> In December 2001, BellSouth also missed the FOC timeliness benchmark for partially-mechanized UNE-P,<sup>75</sup> ISDN,<sup>76</sup> Loop with LNP-designed,<sup>77</sup> and Loop with LNP-non-designed LSRs.<sup>78</sup>

125. In addition, BellSouth has failed to meet the performance standards for the FOC and Reject Completeness-Multiple Response measure. Each version of an LSR should only receive one FOC or rejection. The purpose of this measure, which has a benchmark of 95%, is to evaluate how frequently that occurs. In October 2001, BellSouth missed the performance standard for this measure in eight of 16 populated categories for fully mechanized orders.<sup>79</sup> During October 2001, BellSouth also missed the benchmark for 30% of the partially-mechanized orders and 39% of the non-mechanized categories of orders.<sup>80</sup> Similarly, in November, BellSouth missed the benchmark for eight of 15 (54%) populated categories for fully mechanized orders.<sup>81</sup> In December, BellSouth missed the benchmark for

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<sup>72</sup> B.1.12.7

<sup>73</sup> B.1.12.15

<sup>74</sup> B.1.12.13

<sup>75</sup> B.1.12.3

<sup>76</sup> B.1.12.6

<sup>77</sup> B.1.12.12

<sup>78</sup> B.1.12.13

<sup>79</sup> See B.1.17.1.1 - B.1.17.17.2.

<sup>80</sup> See B.1.18.1.1 - B.1.18.17.2 and B.1.19.1 - B.1.19.17.

<sup>81</sup> See B.1.17.1.1 - B.1.17.17.2.

nine of the 15 categories (60%) for fully mechanized orders<sup>82</sup> and 7 of 13 (54%) of the non-mechanized categories of orders.<sup>83</sup>

**B. Provisioning**

**1. Georgia**

126. BellSouth has failed to satisfy its Section 271 obligations during the provisioning process. During September, October and November 2001, BellSouth's retail orders experienced fewer troubles within 30 days of installation than CLECs reported for Other Design (dispatch) orders consisting of fewer than 10 circuits. *Id.* at 17. Similarly, from September through November, BellSouth's retail orders experienced fewer troubles within 30 days of installation than those reported by CLECs for Digital Loop (dispatch) orders consisting of fewer than 10 circuits. *Id.*

127. In October and November 2001, BellSouth failed to meet the parity standard for the Average Completion Interval (OCI) and Order Completion Interval Distribution measure with respect to its handling of Loop and Port Combo (dispatch) orders consisting of fewer than 10 circuits. (B.2.1.3.1.1) Varner Supp. Aff. Ex. PM-26 at 14. And, of course, BellSouth's performance may be worse than reported because it excludes the FOC interval when computing the completion interval. Although BellSouth attributes part of its performance problems to a purported failure to properly L code those orders requesting due dates beyond standard intervals, it has provided no empirical evidence supporting that assertion and its alleged impact on performance results. *Id.*<sup>84</sup> In any event, BellSouth also has admitted that it

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<sup>82</sup> See B.1.17.1.1 - B.1.17.17.2.

<sup>83</sup> See B.1.19.1 - B.1.19.17.

<sup>84</sup> Unfortunately, KPMG's ongoing metrics tests are not designed to verify whether BellSouth has properly L-coded orders. During a Florida OSS Testing Evaluation Status meeting on February 3, 2002,

failed this metric because: (1) its field personnel did not promptly resolve orders in a “pending facility” status; and (2) it encountered “problems in balancing the workforce load for both retail and wholesale orders.” *Id.* at 14-15. Although BellSouth asserts that it is instituting new procedures to resolve such “pending facility” situations and is placing considerable “emphasis on wholesale tasks in establishing load balance priorities for its network personnel” that should improve its performance, these are nothing more than unfulfilled promises that are entitled to no weight. *Id.*

## 2. Louisiana

128. In October, November and December 2001, BellSouth’s retail customers experienced fewer provisioning troubles within 30 days of installation than those reported by CLECs with respect to Digital Loop > DSI orders.<sup>85</sup>

129. In November and December 2001 BellSouth’s retail customers experienced fewer provisioning troubles within 30 days of installation than those reported by CLECs for Line Sharing orders. In November 2001, only 9.43% of BellSouth’s retail orders experienced such troubles, while 66.67 percent of CLEC Line Sharing orders experienced such troubles. In December 2001, only 10.07% of BellSouth’s retail orders experienced

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KPMG reported that neither its data integrity test nor replication evaluation validates whether BellSouth is correctly L-coding orders.

<sup>85</sup> In October 2001, 1.61 percent of BellSouth’s retail orders experienced troubles within 30 days of installation, while 8.88 percent of CLEC Digital Loop > DSI orders experienced such troubles. B.2.19.19.1.1. In November 2001, 1.52 percent of BellSouth’s retail orders experienced troubles within 30 days of installation, while 6.83 percent of CLEC Digital Loop > DSI orders experienced such troubles. B.2.19.19.1.1. In December 2001, only .72 percent of BellSouth’s retail orders experienced troubles within 30 days of installation, while 7.95 percent of CLEC Digital Loop > DSI orders experienced such troubles. *See* B.2.19.19.1.1.

installation troubles, as compared with 30% of CLEC Line Sharing orders that experienced such troubles.<sup>86</sup>

130. Even under BellSouth's flawed implementation of the Average Completion Interval measure, it failed to meet the parity standard in completing Loop with LNP-Designed orders in October, November and December.<sup>87</sup> Similarly, BellSouth failed to meet the parity standard in completing loop designed orders in November and December 2001.<sup>88</sup>

### **C. Maintenance and Repair**

#### **1. Georgia**

131. The Commission has repeatedly stated that a BOC "must provide competitors with equivalent access to all repair and maintenance OSS functions that [the BOC] provides itself." *Second Louisiana 271 Order* ¶ 145. As the Commission has observed, a carrier's ability to repair and resolve customer troubles by the committed due date is absolutely "critical to a competing carrier's ability to retain customers because customers expect their service to be restored within the promised timeframe."<sup>89</sup> From September through November, BellSouth missed the retail analogue for the missed repair appointments measure in its handling of 2wire Analog Loop Non-Design (non-dispatch) orders. B.3.1.9.2. Varner Supp. Aff. Ex. PM-26 at 20. BellSouth claims that it "is in the process of retraining its technicians on the correct procedures for handling these situations as well as appointment commitments, "which

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<sup>86</sup> See B.2.19.7.1.1, B.2.19.7.12.

<sup>87</sup> B.2.1.12.1.1.

<sup>88</sup> B.2.1.8.1.1.

<sup>89</sup> Notice of Proposed Rulemaking, Performance Measurements and Reporting Requirements for Operations Support Systems, Interconnection, and Operator Services and Directory Assistance, CC Docket No. 98-56 (rel. April 17, 1998), ¶ 85.

should have a positive impact on performance. *Id.* Again, these are nothing more than hopeful expectations.

132. Similarly, BellSouth's trouble report rates demonstrate that it is not providing CLECs with maintenance and repair services in substantially the same time as BellSouth's retail operations. From September through November, BellSouth's customer trouble report rates for its retail customers were lower than those reported by CLECs for Combo other (dispatch orders). *Id.* at 21. In September and November 2001, BellSouth also missed the retail analogue for this same metric in its handling of Combo Other/Non-Dispatch orders. *Id.* BellSouth claims to have implemented procedures "to retrain field technicians in proper testing and troubleshooting procedures." *Id.* However, it is too early to render any assessment regarding the effectiveness of these alleged corrective steps.

133. BellSouth also concedes that, in October and November 2001, CLEC Design (Specials)/Non-Dispatch orders "had a high percentage of multiple [trouble] reports." *Id.* BellSouth states that it plans to instruct its "technicians on proper testing and trouble shooting procedures as well as proper use of close out code 3." *Id.* at 22. Again, these are simply more paper promises.

## 2. Louisiana

134. BellSouth's own data show that, in September, November and December 2001, its customer trouble report rates for CLEC UNE Combo Other/Dispatch orders were higher than those for BellSouth's retail orders. Indeed, the z-scores during this period ranged from -2.9164 to -6.0580.<sup>90</sup> BellSouth Supplemental Appendix, Vol. 2K, Tab E (B.3.2.4.1).

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<sup>90</sup> A z-score of -1.645 indicates a lack of parity condition.

135. Similarly, CLEC UNE Other Design/Dispatch orders experienced higher trouble report rates than those experienced by BellSouth's retail customers. During the eight month period from May to December 2001, BellSouth failed to meet the parity standard in seven of those months. BellSouth Supplemental Appendix A, Vol. 2K, Tab E (B.3.2.10.1).

**D. Billing**

**1. Georgia**

136. BellSouth concedes that, in October and November 2000, it failed to meet the 90% benchmark established for the Non-Recurring Charge Completeness measure for local interconnection services. *Id.* at 23. This measure assures "the ability of the ordering and billing systems to begin billing CLEC non-recurring charges for local interconnection services on the next invoice after an "order has 'completed.'" *Id.* at 23. Although BellSouth admits that it took corrective steps to improve its performance which initially failed and that it implemented new remedial measures in November, it remains unclear whether these corrective measures will be successful.

**2. Louisiana**

137. In October and December 2001, BellSouth failed the parity standard for invoice accuracy in its handling of UNE orders. In October 2001, BellSouth's retail invoice accuracy rate was 99.12%, while the rate for CLEC UNE orders was 85.92% — approximately 13 percentage points lower. In December 2001, BellSouth's retail invoice accuracy rate was 99.08%, while the rate for CLEC UNE orders was 91.52%. BellSouth Supplemental Appendix A, Vol. 2K, Tab E (B.4.1).

**VII. BELLSOUTH'S APPLICATION RELIES IMPERMISSIBLY ON PAPER PROMISES**

138. The foregoing discussion crystallizes this salient fact: BellSouth's application is premature. BellSouth could have refiled its application after it had resolved all data integrity issues, and after KPMG's metrics audits in Georgia and Florida were completed. BellSouth elected instead to refile its application at this juncture.

139. In doing so, BellSouth essentially asks this Commission to dismiss the probative value of the metrics testing that remains to be conducted and to bless its application based upon an arsenal of promises littered throughout its application – promises of future performance that cannot and do not prove its present compliance with Section 271. Set forth below are just a few examples of the paper promises in BellSouth's supplemental application:

- Noting that the timeliness of BellSouth's electronic notices is distorted when fully mechanized FOCs are followed by manual clarifications, BellSouth states that it "is currently analyzing the situation to determine an appropriate solution." Varner Supp. Aff., Ex. PM-26 at 9.
- "BellSouth is developing additional training programs for service representatives handling these types of orders [Design Specials]" to improve its performance with respect to reject intervals. *Id.* at 9.
- "BellSouth is currently analyzing data to identify any additional opportunities for continued improvement in [the] area" of FOC timeliness. *Id.* at 10.
- "BellSouth is in the process of scheduling the implementation of a release to fix this defect" that affects the accuracy of its data on FOC and reject response completeness. *Id.* at 11.
- "Although BellSouth expected to correct this [jeopardy notice interval] measure in October, the coding required to implement the necessary revisions was more complicated than expected [and] BellSouth believes that the remaining problems should be resolved with January 2002 data." *Id.* at 13.
- "BellSouth is providing additional training to its service representatives on the proper application of "L" codes . . . developing additional procedures to ensure the prompt resolution of 'pending facility' situations by its field personnel [and] is adding additional emphasis on wholesale tasks in establishing load balance

priorities for its network personnel [which] should improve performance” with respect to order completion intervals. *Id.* at 15.

- Conceding that BellSouth improperly excluded from its performance results LSRs that it place[d] in an ‘error file,’ BellSouth states that it “will begin looking in this error file to match LSRs to completion notices.” Varner Supp. Aff. ¶ 73.
- BellSouth will implement an interim fix with February 2002 data to deal with its improper calculation of retail completion notice times. Varner Supp. Aff. ¶ 74.
- “On the LNP measures BellSouth currently is filing, BellSouth has discovered some coding issues with these messages” that it is currently investigating. *Id.* ¶ 77.
- BellSouth is planning to address the issue of timestamps for EDI with February 2002 data and is currently working on addressing the same issue for TAG. *Id.* ¶ 79.
- BellSouth is currently working to resolve issues relating to its counting of repeat troubles against BellSouth instead of as a trouble against the CLEC. Varner Supp. Aff. ¶ 82.
- “Further flow through improvements are expected as a result of 18 flow through improvements to BellSouth’s OSS that are already targeted for implementation. Varner Supp. Aff. Ex. PM-26 at 6.
- BellSouth plans to implement metrics that will measure the percent of premature disconnects associated with the two-order process for UNE-P conversions. Varner Supp. Aff. ¶107.

140. When reduced to its simplest terms, BellSouth’s most recent application which consists of a laundry list of unfulfilled paper promises is a stark admission that BellSouth has put the proverbial cart before the horse by refiling its application at this time. Indeed, it is well established that a BOC’s promises of improved performance are not a suitable substitute for demonstrated proof that “it is already in full compliance with the requirements of Section 271”<sup>91</sup> when it files its application.

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<sup>91</sup> *Michigan 271 Order*, ¶ 55; *Second Louisiana 271 Order*, ¶ 56 n. 148.

CONCLUSION

141. BellSouth's latest application fails to demonstrate that its performance data provide sufficient assurance that BellSouth has fulfilled its Section 271 obligations. BellSouth's performance data are unreliable and inaccurate; and KPMG's audits conducted to date lend no support to BellSouth's claim that its performance data are trustworthy. Audit I was far too limited in scope; and the measures and levels of disaggregation have changed substantially since Audits I and II were conducted. KPMG has found significant deficiencies in BellSouth's performance monitoring and reporting processes during the course of testing in Georgia and Florida which are reflected in numerous open observations and exceptions. Moreover, the Florida and Georgia tests are far from complete. Only 10% of the data integrity test has been completed in Audit III in Georgia, and considerable work remains to be done to finish the metrics replication test segment. Further, BellSouth's decision to replace BARNEY with RADS has prompted KPMG to reevaluate metrics testing that has been completed and extend its data integrity test in Florida. And KPMG's efforts to conduct the data integrity test of BellSouth's flow through data have been delayed as well. Presumably these developments in Florida should have similar ripple effects in Georgia.

142. Although BellSouth claims to have resolved, addressed, or successfully refuted all of AT&T's data integrity concerns, these assertions are false. A number of AT&T's legitimate data integrity concerns remain unresolved. Further, although BellSouth has recently undertaken corrective measures to resolve certain deficiencies in its reporting processes, it is too early to assess whether those measures will prove successful. And in all events, neither those recent corrective steps nor the ongoing workshops in which BellSouth's flawed measures are

being examined can excuse BellSouth's reliance on inaccurate and unreliable data generated before implementation of these remedial steps.

143. Thus, at bottom, BellSouth invites this Commission to approve its application based upon: (1) unreliable, inaccurate and unstable data; (2) incomplete audits; (3) numerous open observations and exceptions highlighting deficiencies in BellSouth's data; and (4) incomplete and inadequate data showing that BellSouth is not satisfying its Section 271 obligations. The Commission should not accept BellSouth's invitation.

144. The timing of BellSouth's filing of its supplemental application was plainly within its control. Instead of resolving these issues before refiling, BellSouth elected instead to charge brazenly forward with the hopeful expectation that this Commission, mindful that this is BellSouth's fifth turn at bat, might somehow lower the compliance bar. The Commission should reject BellSouth's application.

I hereby declare under penalty of perjury that the foregoing is true and accurate to the best of my knowledge and belief.

Executed on March 4, 2002

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Cheryl Bursh

I hereby declare under penalty of perjury that the foregoing is true and accurate to the best of my knowledge and belief.

Executed on March 4, 2002

Sharon E. Norris  
Sharon E. Norris